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ABSTRACT

Testimonies on H.R. 1400, the Veterans' Education Assistance Act of 1981, which calls for a new GI bill education and training program for the All-Volunteer Force, are presented. The nature of the GI Bill is reviewed both historically and within the context of the present needs of the All-Volunteer Force. H.R. 1400 is designed to provide education assistance to accomplish three basic goals: readjustment assistance, recruitment incentive, and retention capability. The bill would allow a person with a high school graduate diploma to come on active duty and, for each month of good service, be eligible for $250 of educational benefits. In addition, after 6 years, a person would be eligible for $550 a month for 36 months. An important part of the bill is the transferability of these educational benefits by the individual in the service to a spouse, or to children, after serving at least 8 years. In addition, the bill would establish a preservice education program, which would have discretionary authority to allow an individual to complete his or her education and training program prior to coming into the service, and the individual would be obligated to pay back 1 month of service for each month of educational benefits provided. Among the 32 witnesses offering testimony were leading experts from the military, reserve and active duty associations, veterans organizations, military dependents, representatives of the education community, and leading experts in the field of recruitment and retention with the Armed Forces. Statements submitted by AMVETS and the Paralyzed Veterans of America are included. (SW)

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H.R. 1400—THE VETERANS' EDUCATIONAL ASSISTANCE ACT OF 1981

HEARINGS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

FIRST SESSION

MARCH 24 AND 25, 1981

Vol. II

Ser. No. 97-8

Printed for the use of the Committee on Veterans' Affairs

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H.R. 1400—THE VETERANS' EDUCATIONAL ASSISTANCE ACT OF 1981

TUESDAY, MARCH 24, 1981

House of Representatives,
Subcommittee on Education, Training, and Employment,
Committee on Veterans' Affairs,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:01 a.m., in room 334, Cannon House Office Building, Hon. Bob Edgar (chairman of the subcommittee) presiding.

Members present: Representatives Edgar, Boner, Daschle, Heckler, Sawyer, Jefferies, and Denny Smith.

Mr. **Edgar**. The Subcommittee on Education, Training, and Employment will come to order.

OPENING STATEMENT OF CHAIRMAN EDGAR

Good morning, ladies and gentlemen. Today begins the third day of hearings on H.R. 1400, the Veterans' Educational Assistance Act of 1981.

On the first 2 days of hearings, we heard from representatives of the Department of Defense concerning the state of the All-Volunteer Force and the need for a new GI bill.

We heard very strong evidence on how certain provisions of H.R. 1400 could substantially assist the military recruitment and retain active duty military personnel.

As a carryover, I understand we will be hearing from the Department of Defense representatives from the Army today, who was not able to testify last Thursday.

Also with us today are representatives of the Reserve and the National Guard. Unlike other education and training bills currently before the Congress, H.R. 1400 incorporates a two-tiered component which grants benefits for a combination of active duty and Reserve service.

For the basic entitlement, H.R. 1400 offers a maximum benefit of 36 months entitlement at $250 per month after completion of 3 years active duty service. However, also under the bill, an individual can receive the same benefit for only 2 years active duty followed by 4 years in the Reserve or National Guard.

For the supplemental benefit designed to encourage retention, military personnel can receive a maximum of $550 per month after 6 years of active duty, but they can receive the same benefit after serving only 4 years active and 8 years Reserve, for a total of 12 years of service to our country.

7JC 7

This unique feature calls attention to the value and the necessity of maintaining manpower levels within the Reserve and National Guard units. The total force concept is vital to the defense of this Nation, and we look forward to hearing the views of the Reserve chiefs as well as those Reserve and National Guard associations.

We will also hear today from representatives of the Disabled American Veterans and the Paralyzed Veterans of America, concerning their views on reenacting a new GI bill.

These two great organizations represent thousands of veterans who have faithfully served their country in the past, and who have been disabled in that service. It is very fitting that they should have an opportunity to review the new proposal intended to assist those who serve or may have to serve their country in years to come.

We are privileged today to have as our first witness Hon. Norman Dicks of Washington. Congressman Dicks is a strong supporter of the defense of this country, and we look forward to hearing his testimony.

Norm, we welcome you here this morning, and we will make your total statement part of the record,[1] and ask you to proceed in any way you see fit. We appreciate your taking the time this morning to focus on this issue.

STATEMENT OF HON. NORMAN DICKS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. Dicks. Mr. Chairman, I deeply appreciate the opportunity to testify before your committee in its deliberations on H.R. 1400. As you know, I am a member of the Defense Appropriations Subcommittee in the House that has been trying to come to grips with the question of compensation.

So, it is a pleasure to appear before the committee today, and provide my wholehearted endorsement of the effort to reestablish appropriate educational benefits for our military community through enactment of H.R. 1400.

I am proud to be a cosponsor of this legislation and hope that with the leadership of this committee and the full committee chairman, Congressman Montgomery, who is the sponsor of this legislation, that we can see it enacted in this Congress.

You are well aware of the continuing challenges we face in attracting and retaining the number and quality of personnel necessary for the effective operation of our Armed Forces.

In the disastrous recruiting year of 1979, none of the services met their objectives. Six Army divisions were recently rated unfit for service due to shortages of noncommissioned officers.

The Navy must juggle crew assignments in order to offset the shortage of 22,000 petty officers. All the services face an exodus of pilots, health personnel, and trained maintenance people. These are the real world consequences of our failure to provide pay and benefits at adequate levels and in needed areas to meet our force requirements.

Last year, the Congress enacted measures that were an important first step in correcting this problem. The provisions of the Nunn-Warner amendment and the 11.7-percent pay raise sent the signal to the military that Congress was aware of the problem and was willing to take the actions needed to correct it.

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[1] See p. 119.

Thus far this year, we are seeing the fruits of this beginning. Recruitment quotas are being met and retention is up. For example, reenlistment rates in the Army thus far in fiscal 1981 for midgrade personnel are up nearly 10 percent from 1979 level, but we must avoid the false conclusion that these encouraging developments mean the problem is over. It most certainly is not.

Shortages in critically needed technical skills persist. More importantly, the sheer demographics of our population will mean a continually smaller base of Americans in the prime recruitment age brackets.

Implications can be seen in the conclusion of a recent Congressional Budget Office study, indicating that the percentage of Army recruits with a high school education or its equivalent will decline to 52 percent by 1986, compared to a target of 65 percent, without major changes in incentive.

I think we have to be realistic, too. Some of the increases in retention that we see today are directly related to the economic conditions that we face in our country. Obviously recruitment and retention are better when we have an economy where employment prospects are not as bright.

While efforts to bring overall military pay and benefits to comparable levels with the civilian economy are continuing, there is a special need to target benefit increases into areas that will provide the greatest return per dollar invested.

I am convinced that the area of educational benefits is an especially fertile field for such a return. The Department of Defense last year testified that termination of the GI bill has resulted in a decline of up to 25,000 high school graduate enlistments each year.

We have reached a point where last year only 25 college graduates enlisted in Army combat arms, out of a total of over 100,000 volunteers. The reason for this total lack of attraction for those who seek higher education, or have already gained it, can be seen in the fact that while the current veterans educational assistance program receives annual Federal contributions on the order of $100 million, the cost of civilian Federal college aid programs was $4.4 billion in 1980. In other words, we are doing a lot more for people who are not interested in the military than we are for those who are.

This situation exists despite the fact that the percentage of jobs requiring technical skills in the armed services is roughly twice that of the economy as a whole.

The need for individuals with the skills and aptitude to adapt to complex weapons systems was recognized as early as 1957, in the report of the Defense Advisory Committee on professional and technical compensation when it stated:

> Only marked increases in the level of competence and experience of the men in the force can provide for the effective economical operation required by the changing times and national needs.

These factors have led many military leaders to call for a reestablishment of the GI bill. Army Chief of Staff General Meyer, stated he believed that bringing back a modified GI bill will do more to attract young people to the Army than any amount of dollars we could throw into the recruiting effort.

As attractive as the GI bill was to military personnel, it was not the perfect vehicle for dealing with the problems we face today; in particular, its structure was skewed against retention of career personnel.

In order for an individual to take advantage of the benefit, he or she would have to leave the service. This legislation recognizes those problems and includes provisions that will turn the bias of the old GI bill around.

The bill will not only promote recruitment of those desiring higher education, it will help retain them as well. This bill does this in several ways. First, it provides a far greater monthly benefit, $550 compared to $250, for those who complete 6 years of active service and commit to 8 years of Reserve service, as compared to those who only make a 3-year commitment.

Perhaps of greatest importance, it allows transfers of educational entitlements to spouses or dependents by those who have served between 8 and 12 years or have retired after 20 years of service. And I really think this is important.

I was, this weekend, in my district. I had an opportunity to talk to many people who are in the active military, and I outlined to them the provisions of this bill.

They told me, person after person, that this was something that they were very worried about. How were they going to take care of educating their children, particularly since they don't have the highest level of income. And a program like this, I think, would be a very, very powerful incentive for someone to stay in the military, at the time when they are approaching the best part of their career and can do the most for the viability of our service.

No longer would a service person be forced to give up his career to take advantage of benefits. The ability to provide a college education for one's children is an integral part of the American dream, all too often denied to those who presently choose to serve their country in the military.

Allowing that dream to be fulfilled will be an important incentive to those considering that sacrifice and commitment.

Another positive aspect of this bill is the provision that will encourage those who have already received higher educational training to come into the service.

We spend $3 billion per year, roughly 10 percent of the entire military personnel appropriation, to maintain the enlisted training pipeline. When we can recruit individuals who have already received valuable training, the time and expense presently borne by the services can be substantially reduced.

The provisions for student loan forgiveness and giving the Secretary of Defense authority to provide assistance to individuals before they enter service can be especially helpful if they are applied to individuals whose educational training has a direct military application.

In establishing a new and viable educational assistance program, we should be sure that the Secretary of Defense is provided sufficient flexibility to target the tools the program provides to changing situations in the manpower area, while maintaining a basic program that can be depended upon by the service person.

This is a difficult balancing act, but it is one for which I believe the bill provides the necessary basis. Let me make a few observations on areas where the committee may wish to add to the bill's provisions, to further the goals of establishing a stable and adequate career force.

The first area deserving review is the need to attract veterans back into the active service. This is particularly true of the thousands who left the service the last few years because of compensation shortfall.

They have already benefited from the training and are the only pool that can quickly help us overcome our NCO shortages. Immediate transferability of benefits for such individuals who agree to return to the service if their term of commitment would bring them into the 8- to 12-year category and who possess skills in short supply should be examined, in my judgment.

Other methods to provide special inducements to this group, perhaps at OSD discretion, should also receive consideration.

A second area that may need to be included are incentives to allow use of educational benefits while an individual remains in the active service either through temporary changes in duty assignment or other means.

The Congress authorized $75 million to test many of the provisions contained in this bill last year, including loan forgiveness, transferability of benefits, and a noncontributory benefit program.

The preliminary results of these pilot programs have been most favorable, according to field commanders and recruiters. We certainly should examine the lessons of this pilot program, and incorporate them into any legislation that we do enact, but I do not feel we should be compelled to wait until long after the test is complete and evaluated to move.

Our manpower problems threaten to grow worse without prompt action. I hope this committee will act in recognition of this situation. I honestly believe, Mr. Chairman and members of the committee, that our personnel problems are absolutely critical in the years ahead. We have got to do something about the retention problem. We have got to do something about keeping the good people in.

I believe that one of the most cost-effective ways to do this is in the area of educational benefits because it is targeted and, quite frankly, it doesn't add to longer term retirement cost commitments that have become very, very large in terms of the overall defense budget.

I'd like to say one final thing. As we all know, today we spend a lot more of our defense dollar on personnel than do our principal adversaries. And so, coming up with a targeted means of assisting and helping people, which may be a little less expense in overall terms, is an important way to give us the kind of defense dollars that we need for procurement and other items as well. I applaud this committee for having 3 days of hearings on this legislation. I think it is essential, and I think it can do us a lot to give us the kind of people we need and allow us to retain them.

Mr. EDGAR. Let me thank you for your statement. We are going to have 4 days of hearings, rather than 3, and some field hearings, and I particularly appreciate your statement because I know how much work you've done out in the field talking with people who are in the active military and who would be the ones that would benefit most from this particular bill.

We had, last week, 2 days of hearings. On the first day, we had the higher officers within the military. Top-ranking representatives of all branches of the military appeared, including Gen. Edward Meyer, Chief of Staff of the Army, and he testified before this subcommittee last week that in his opinion, there now exists a critical need to enact a new GI bill, to help alleviate what he called the turbulence prevalent in the All-Volunteer Army.

Then on Thursday, we heard from the civilian side, and Robert Stone, Acting Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics, stated an opposite point of view. "At this time, we do not support a new comprehensive program of educational benefits, a new GI bill, for military service."

Now, to be fair to Mr. Stone, he indicated that his interest was to wait until some test programs came through, and that sometime in the future we would, in fact, devise a GI bill.

I wonder if you might comment on which position you would prefer, either the position of General Meyer indicating the necessity to move now in a consistent, comprehensive GI bill for recruitment, retention and rehabilitation needs, or the position of the——

Mr. Dicks. Well, there is no question, in my judgment, at all. The civilian leadership of the department is operating under a directive, I think, from the Secretary of Defense—and I have asked him about this—that nothing be done on the question of educational benefits until the test of last year is completed.

Now, in my view, the problem exists today. When you look at the number of category 4's that we have in the Army today, and if you look at the lack of NCO's in the Army, the lack of petty officers in the Navy, the lack of skilled technicians, the loss of pilots and the loss of other critical categories in the military, the problem is today.

In my view, the pay increase last year was a first step, but it seems to me, to round that out and to really solidify our situation on retention, that these educational benefits are necessary.

I think that this committee would be wise to bring in the people who are doing the test, get their best preliminary judgment on it, and incorporate into the legislation as much of the findings of that test in order to have the kind of educational program that would be best for the country. In my judgment, we should move now on this, especially because there are some who are saying that there are only other more stringent, more difficult choices ahead.

In my view, the way to possibly avoid some of those difficult decisions is to enact a program that will solve the problems of the All-Volunteer Force. If you want to get some good judgment on this outside of the Government, I'd suggest former Secretary of Defense Melvin Laird, as a person who has been speaking out very strongly for the need for more compensation and for educational benefits, and I think someone of that posture who is outside of the Government, who can look at it in a more objective way, is the right way to go.

I think General Meyer is correct on this point, the Army has the most severe problem, and he understands that. He understands that unless something is done about it, there is going to be a very adverse effect on his ability to operate if there was a crisis. The same goes for our Reserves and Guard. We are short there, I think, the last time I checked, some 700,000 people in the IRR.

And so, having a good program like this will help us get people into the Reserve and Guard as well. I think the committee ought to take the best judgment of the test, but go forward with this legislation.

Mr. **Edgar**. Thank you for that very articulate answer to that question. It is my intention, as chairman, to move this bill after going into the field and discovering some of the particulars from those there, and see if we can't move this legislation onto the House floor for thorough discussion and review this year.

I would like to challenge you to work within the Appropriations Committee because we are at a period of fiscal concern. While the first few years of the program are very inexpensive, and while we think the whole program will not be that expensive compared to other benefit programs that we lay out——

Mr. **Dicks**. Mr. Chairman, as a supporter of this legislation, I want to just add quickly—remember, it is a tremendous cost to have to go out and recruit these people.

We are spending, in the Defense appropriations bill, almost $100 million on advertising and recruitment, and then we have to train those people once we get them in.

The cost of the training operation is immense. There are real savings that can be pointed to and proven that will offset the dollars that we are talking about here, if we can retain the good people that we already have in. We can offset the cost of this program, in my judgment, dollar for dollar, and have a more qualified and competent service, and that's what we're really after.

Mr. **Edgar**. We've asked the Congressional Budget Office to do an analysis of that, and we also know that in the past, for every dollar that we've spent on GI educational benefits, we've gotten $3 or $4 in return, and better tax revenues that we've received from those that have been educated.

We appreciate your testimony. We will now move to the committee in order of their arrival, and we will operate under the 6-minute rule, 5-minute questions and then I will bang the gavel and let you finish up.

Mr. Sawyer?

Mr. **Sawyer**. Thank you for coming, Norm, I appreciate your testimony.

A couple of things, and I have to say I am, at this point, open-minded on this bill. I have now heard several different points of view, and I'm having a little difficulty evaluating them.

The Defense Department, in giving credit to their testimony, did not say they did not want a GI bill of variety. They apparently have this regional test program going on that you are probably familiar with in your job——

Mr. **Dicks**. Yes, we funded that.

Mr. **Sawyer** [continuing]. And they really were kind of slow getting started. This is the substance of what they are saying; and that, really, it has just kind of gotten rolling on a regional basis, with test groups in areas where they are actually doing it. They will have results by September or October, and their thrust was not that they didn't want a bill, but they wanted to see what those results were, first.

Mr. DICKS. Well, if that's their real intention and not just using that as a way to stall on the legislation and avoid having to maybe spend a little money in the short term, then I would say, fine, but I have a suspicion, based on a little experience, that what they are really saying is that "We're not sure we really want to do this."

I think General Meyer is right, we've got to do this. We really have to.

Mr. SAWYER. Now, the other question is, if the statistics you have are correct, and there will be a diminution going on of the high school graduates that are coming in, expressed in a percentage, apparently the turnover or lack of retention is strikingly different with high school graduates as opposed to high school dropouts. It would seem to me that you might contend—and I don't know this, but just from everything I've listened to—that there is a possibility you might reduce the retention of this diminishing number of high school graduates by giving them their option at the end of 3 years, when probably they have just been trained and really are coming onstream on some technical type jobs. You might give them an inducement to dropout, in effect, to take advantage of it. What is your view of that?

Mr. DICKS. Well, I think that is one of the things we want to be careful about, and be sure we have enough balancing incentives. For example, as I understand the legislation, there would be a substantial reserve requirement in order to get the benefits that we are talking about under this bill.

And we have, as you know——

Mr. SAWYER. Not as I understand the bill as it is now written. If you put in the 3 years, as I recall it, you don't have the Reserve requirements. If you put in 2, then you have 4 years of Reserve requirements. I'm not positive I'm right on that, but I think I am.

Mr. DICKS. But you get a much more substantial benefit—if you will sign up for a longer term that includes Reserve commitment.

Mr. SAWYER. That's true, except I just wonder, you know, with what the cost of higher education has done, if I were looking at it, I'm not so sure I wouldn't think that $250 a month in 3 years might look better than $550 in 6 years. I just think that would be a factor that someone would think about if they were——

Mr. DICKS. Then I would suggest maybe an escalation clause, some kind of cost-of-living index that might be appropos. The point is, I think we are going to get these people into the service, remember that. This is going to be a powerful incentive to get those people in for at least 3 years.

In my judgment, that is something we ought to be concerned about because we are having a very difficult time getting high school graduates. And as the total population that we can recruit from becomes smaller, as it will because of demographic realities, it is going to be harder to get these high school graduates into the military at all, and so having these educational benefits would help get them in.

I would agree with the gentleman that it is important that we try to find some neutrality here in the incentives so that there is a positive incentive to take that Reserve commitment as well. We really need these trained people in the Reserve and in the Guard after they get out of the service.

Mr. **Sawyer**. I would think that would be a very real consideration. If I were just looking at it and found I would get $250 now for 36 months, or I might have $550 if I stay another 3 years, or 12 years or however I want to work it, I might be inclined to, maybe accurately, feel that I might be better off with the $250.

What do you think of the possibility of putting some kind of an indexing in there to keep the $550 in effect—$550 against the $250, despite the extension of a period of several years?

Mr. **Dicks**. I think that is something that we ought to consider. Anytime you start off to draft legislation, as you are aware, it is a beginning point, a working paper. I think the committee should exercise some judgment——

Mr. **Sawyer**. That is the one thing that concerns me, is this kind of production on retention?

Mr. **Dicks**. That was the problem with the old GI bill, that it did give more incentive to get out and that's what you don't want to do. That's why I think the transferability to dependents is a very important part of this because then a fellow can stay in and yet he is taking care of his children or his spouse, and that is a very positive incentive on the other side of it.

Mr. **Sawyer**. Thank you. I yield back.

Mr. **Edgar**. The time of the gentleman has expired. Mr. Jeffries?

Mr. **Jeffries**. I, too, Norm, want to thank you for coming; we appreciate it very much. I think I will just go in the same vein that I've been going in and I get your personal opinion, if you will, sir, on this whole idea of getting people in the service and qualified people within the service.

Do you feel that what we are doing here may just be somewhat of an interim step? What I am saying is this. If we had something like universal military training, for whatever period you might be talking about, and offer some incentives for individuals to stay in a little bit longer, might this not bring into the service the individuals of quality that we are looking for?

Do you feel that we are maybe going to have to go to that at some point in the future, and what might be the cost consequences of this, as opposed to maybe having to come up with that in the final analysis anyway?

Mr. **Dicks**. Well, as I understand it, the idea of a universal service is expensive, in itself. You're talking about everybody having some service to the Government, including the option of military service.

As I understand it, the one concern about that legislation is that it is quite expensive because you have to provide each of these people with some remuneration.

My view of it is this. We made a very significant turnaround last year. You see, the problem was that military compensation had declined in real terms by about 15 to 20 percent between 1973 and 1980, so we passed Nunn-Warner, we passed the 11.7 percent pay increase.

I think that has helped us turn the corner on the question of keeping good people in the military. The problem is that if we assume that the economy is going to get a little bit better and that the economic program is going to work, which we are all hopeful of, then as the economy starts to improve, we may find ourselves, again, in a difficult spot in keeping these good people in the service.

I think educational benefits are the kind of a targeted response that will get the kind of results we want. It is something that every person is concerned about. How are we going to educate our kids? How are we going to improve our own situation in life?

It is targeted. It is narrow. The good part of it, if you are cost-conscious, and I know the gentleman is, is that it doesn't add to our retirement cost. It is a targeted educational program that will not have long-term implications in terms of retirement pay.

There is an offset by having those kinds of targeted increases. That's why the Nunn-Warner approach was good because it gave increases in flight pay and sea pay and reenlistment bonuses and those kinds of things that don't add to the burden of retirement pay later on, which is a drain on the total number of dollars that we have available for defense.

So, I, frankly, believe that looking at this concept of universal service is a good idea. I think the people that have presented that have done a service but, again, it is a question of cost, and I happen to think that this will, in the near term, provide the most results of any of the targeted increases that I know of.

Mr. **Jeffries.** I appreciate that, Norm. It is a matter of cost, there is no question about that, but it is also a matter of adequate defense capability.

Mr. **Dicks.** Yes. And I think this, in my view, if you're worried about retention and keeping good people in and attracting a higher quality of people, I think this is a very positive part of that effort. It isn't just compensation. It isn't just Nunn-Warner. I think educational benefits play a very important part in solving the problem of not having in the service today the quality of people, people with the educational background that are necessary to really have the quality force that we need in a crisis.

Mr. **Jeffries.** Norm, I thank you very much. I appreciate your viewpoint on that.

Mr. **Edgar.** Mr. Smith?

Mr. **Smith.** Thank you. I guess I spent almost 10 years on active duty and in the Air National Guard, and the weapons that we are talking about, dealing with the people in the service, are extremely complex and, before you can really be effective with the kind of equipment we are working with now, we have to have 5 to 10 years with people in there working with the equipment. Of course, you normally change equipment, I suppose, in that period of time, somewhat.

I'm still concerned about the overuse of the people. You know, the Navy is having to rotate people onto other ships, and we were overusing our people in the fighter squadrons because they didn't have enough qualified people.

I question, really, whether this or any other program is going to solve our problem in the military today, only because the authority has been put at too high a level.

Job satisfaction is related to what you think you are accomplishing. And through the Vietnamese experience, there was very little reward and no satisfaction with what we were accomplishing, and we are seeing it with the veteran outreach program, some of these problems we are still having with people who served in Vietnam.

I would submit that, basically, we are involved in a shell game here, something that is going to be available 20 years out, that might be, especially with the cost-of-living adjustment, extremely expensive in the future, for maybe no retention.

How many people are really looking 16 years ahead, on a 4-year tour, say, are going to bargain on what they are going to get. Without the transferability—and I think that has extreme cost situations—I really question whether we are going to be able to solve our problems with this.

Now, I understand that with the Volunteer Force still in being, we've got to try something here, but I know, when I got out of the Air Force, I had a regular commission, and a lot of my compatriots, and they wouldn't have taken the wing commander's job mainly because the authority had been placed at too high a level.

I think that the people I talked to—of course, this was 15 years ago—but I think we still have some of that unhappiness because we are still trying to control this thing from too high a level.

When you get down to trying to provide educational benefits as a way of retaining people, if they are not satisfied in their job today, they are not going to be satisfied for 20 years, sitting there with that unsatisfaction.

So, I think we've got a deeper problem here, but I'm willing to try it. I just think that the main thing we have to be sure of here is that we don't put a lot of front-end—non-front-end loaded cost—a lot of cost out there in the distance, and it is one of the real problems that you have on Appropriations, trying to figure out what this is going to cost us a long ways out.

Now, that's an observation. I really don't know that I have a question except, is there real indication that we've had GI bill termination—has forced people out of the service, in your estimation?

Mr. DICKS. Well, I think it has made it more difficult to recruit people. I think that's what the CBO study indicated. The Army estimated we lost 25,000 high school graduates that would have come in because we terminated the benefits.

It isn't just the person thinking down the road, it is getting them in in the first place, and it is a very positive recruiting device, in my judgment, rather than just paying all the money for nice ads about how wonderful it is going to be once you are in there.

When somebody says tangibly "this is the way I can get an education," I think that is a very positive incentive for somebody to sign up in the first place, and then the transferability, being able to take care of your children if you want to stay in yourself and make a career out of it, because you like the work that you're doing, is important.

Let me also comment just briefly, I was with some people who have line responsibility this weekend, and they were absolutely convinced that a program like this would be very, very important.

They also told me something that goes right to your point. These were Navy people, and they said, you know, Admiral Hayward has talked about pride and professionalism. Now that we're treating these people a little bit better, we passed Nunn-Warner, we gave them a good pay increase, he's asking them to look better, and dress better, and to be more proud and more professional in their own conduct.

The people that I was with this weekend tell me that that is really taking hold in the Navy, that these people do feel that Congress has finally woken up to the fact that there is a serious problem in the military and that they, therefore, are willing to deal with it but, believe me, without those petty officers, without those NCO's, without those technicians, we're not going to have a service that can perform.

Trying to figure out how we keep those people in and keep them happy—and you're right, part of it is authority at a level where they can exercise it—is all part of solving this problem of the All-Volunteer Force.

In my judgment, the educational benefits will be a very positive contribution to this total effort. Compensation, the retention package, and now the educational benefits all will help to strengthen and solve the problems in the All-Volunteer Force—not overnight—and there is, certainly, a sting from Vietnam left, because people who were there, I think, felt that they weren't appreciated and their sacrifice wasn't appreciated, but this is a way to show some appreciation. I think this bill helps.

Mr. Smith. Well, I think maybe just straight pay, too, is certainly very important in trying to retain the good qualified people.

Mr. Dicks. I also want to point out that the loan forgiveness provisions are a very positive incentive to get somebody in as well. You know, if we have the ability to forgive a student loan that somebody has already taken out, as a device to get people in, I think that will help us in recruitment as well.

Mr. Smith. Of course, as long as we are giving these educational benefits away with no service requirement in the other programs that we have, I am told, we are not going to have much chance of getting these people in under a GI bill program, so we've got to balance on the civilian side of what service required for benefits received.

Mr. Edgar. The time of the gentleman has expired. The gentleman from South Dakota, Mr. Daschle.

Mr. Daschle. Norm, I want to thank you. You have really provided this committee with some insight and I think a very articulate approach to the need for this legislation.

If I could find one shortcoming that the bill would have, from my point of view, it is the lack of an increase in the delimitation date. We only have a 10-year limitation on the availability of this program to veterans today and, really, when you think about it, it is only 6 years because if they don't start within 6 years, they don't have the full eligibility.

I'd be interested in knowing what your thoughts are on delimitation. How do you feel?

Mr. **Dicks**. I guess I would defer to more expert advice. I think delimitation will always be somewhat of a problem, and if you can make it a little more generous a little longer, I think that would help, but I would defer to people who have had more direct contact with the veteran out of the service, who can tell you whether that is something that is important.

Mr. **Daschle**. Well, it is a real serious problem as you talk to some of these people when they get out of the service, who have to put their families through school themselves. Many are just in the process of getting reoriented. Sometimes, the last thing on their minds is trying to finish out their education.

They need education, they want it, but just can't give it the immediate priority it deserves.

Mr. **Dicks**. I can tell my friend that many veterans have mentioned this to me when I've been out to their townhall meetings, or visiting particularly community colleges where the veterans tend to go, in my district at least, and they have told me that this limitation does impinge upon them, and you're exactly right, that they had children, and they were at a difficult point in their life, and now that they've gotten themselves together and they want to go back and finish their education, and they would say over and over again, "We don't think it is realistic in terms of the kind of modern lifestyle."

I think the gentleman is absolutely correct, that it certainly does impinge on the flexibility. I know it is something that is of direct concern to the veterans.

Mr. **Daschle**. Well, again, we want to thank you for your testimony, it was excellent. Thank you, Mr. Chairman.

Mr. **Edgar**. The gentlewoman from Massachusetts, Mrs. Heckler.

Mrs. **Heckler**. Thank you, Mr. Chairman. I want to congratulate you also, Norm, on your very fine presentation. I would have heard all of it but for the late arrival of my flight from Boston.

One question that I have relates to the issue of transferability, which seems to be one of the most attractive features of the bill, and that is the fact that the transferability of benefits is linked to service in a critical specialty, so that the critical specialty would be designated by the Secretary of Defense as a skill or specialty in which there is a critical shortage and so forth.

Does it bother you that a critical specialty assignment is essential?

Mr. **Dicks**. Well, I think if we could afford it, I would prefer that it be broader, but if we're talking about limited dollars and trying to do something that we can afford then, obviously, the critical specialties are things that we've got to think about.

One of the things I believe in, quite frankly, is that somehow, at some point, we've got to come up with some targeted compensation or targeted incentives for those critical specialties that we're short in as one way not to increase the overall cost of personnel, but to really provide those additional incentives for the people that we need—the pilots, the technicians, the NCO's and the petty officer—and this may be one way to do that.

I would prefer it if it were broader because I think we need to keep those people in. If it gets down to a decision based on only having a certain dollar amount to invest, then I think investing it in those critical, necessary skills is the right way to go.

Mrs. Heckler. One of the problems that I see is the fact that the critical specialties that exist in 1 year may not be the critical specialties in another; the changing priorities, changing needs and, second, the potential for growing resentment among one's coworkers for special benefits for someone with one specific task and not for the others.

Mr. Dicks. Also, the other side of that is that it might give some increased incentives to get involved in those special skills where we are short, too, as well.

Mrs. Heckler. Then we can develop a surplus and then you no longer have the critical specialty shortage.

Mr. Dicks. What I tried to point out in my testimony is that one of the things we need to think about here is giving the Secretary of Defense some flexibility in attacking the problems of shortfalls in critical areas, and maybe letting him have this as a tool to work with, to deal with it on a year-by-year basis.

I think we can build some flexibility into the legislation, to allow for that, and be able to deal with the problem. It is a balancing act. You're trying to put together a package of incentive, and you may want to let him change those at times. If we try to draft it too specifically, we might lock ourselves into the situation you pointed out where the specialties and the needs may change.

Mrs. Heckler. Thank you very much.

Mr. Edgar. Thank you. Finally, Mr. Boner.

Mr. Boner. No questions.

Mr. Edgar. We want to thank you for your testimony. We kept you a little longer than we had anticipated, but that relates to the quality of your statement and we appreciate that and the expertise which you have.

Mr. Dicks. I just want to say one final thing. You will have my cooperation over in the Appropriations Committee, once you get this passed.

Mr. Edgar. Thank you very much.

[The prepared statement of Congressman Dicks appears on p. 119.]

Mr. Edgar. Our next set of witnesses will be the Honorable Bill Emerson, U.S. House of Representatives, and also Adm. Spence Matthews (retired). If you will come forward at this time, we would welcome you.

We are under a bit of time pressure here, and we welcome you to our committee this morning, particularly you, Congressman Emerson, and we appreciate your introducing the witness, and we invite you to proceed at this point.

Before you do so, let me just say that all of your statements will be made part of the record,[1] without objection, and we would ask you to summarize if possible, so that we can get to questions and move on to some of our other witnesses.

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[1] See p. 120.

STATEMENT OF HON. BILL EMERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. EMERSON. Thank you, Mr. Chairman. I would like to thank you for the opportunity to introduce a distinguished constituent of mine, a native of Sikeston, Mo., Rear Adm. H. S. Matthews.

Rear Admiral Matthews has qualifications that can contribute significantly to the matter under consideration here, and those qualifications are unique. Contrary to what some people assume, this admiral is not a product of the service academy or any of our officer training programs.

He was one of those 18-year-old high school graduates just prior to World War II, who wanted to go to college, but could not afford it, further complicated by a war on the horizon.

Enlisting in the Navy in April 1940, he came up through the enlisted grades to become a temporary officer, an ensign. In 1946, by then an experienced test pilot, the Navy offered him a college education if he would stay in the naval service.

This they did, and he did, he graduated Phi Beta Kappa, and he became the first former enlisted pilot to reach flag rank. With this beginning, during his 30 years of commissioned service, the major focus of his efforts was on our Navy enlisted community.

He was known as the sailor's admiral, concerned about the welfare, training, education, and professional development of enlisted personnel. His views and judgments are based primarily on those years of service, which cover World War II, Korea, and three combat tours in Vietnam.

Admiral Matthews was highly decorated in combat, receiving 32 awards. Accompanying Admiral Matthews this morning is Retired Navy Captain O'Connor, whose background is in the personnel management field. Thank you very much.

Mr. EDGAR. Admiral, it is good to have you here this morning. Please proceed.

STATEMENT OF REAR ADM. SPENCE MATTHEWS, U.S. NAVY (RET.)

Admiral MATTHEWS. Thank you, sir. Before I proceed—and I will just give a summarization of my views so that we can proceed because some of the questions being asked, I think, are very vital to this bill.

First, I want to applaud the chairman and this committee because you are dealing with what is our most critical situation in the United States today, and the critical problems that face our military services and the Coast Guard.

I add the Coast Guard here because when I was an admiral in Vietnam, some of my best ships were Coast Guard ships. Sometimes, we have a tendency to forget about the Coast Guard.

I think that any legislation this committee proposes must take into consideration what I view is the most critical problem of the services today. It is not fully understood in this country, the difference between recruitment and retention.

We can solve all the recruiting problems in the world, but if we don't solve the retention problem, we really haven't solved the critical manpowers problem in our services.

When I say retention, I am talking about the retention of highly qualified and experienced personnel. Of course, we have to realize that the services must recruit a highly qualified man before they can retain him and, of course, they must retain him before he meets that other critical manpower need, which is experience.

The services need highly qualified and experienced personnel. The thing that would disturb me about a GI bill is—and I think it will solve the recruitment problem—but, if it solves the recruitment problem at the expense of the retention problem, we haven't really touched our manpower problem.

For example, if in the Navy today every recruit were a highly qualified high school graduate, but left the Navy after 3 or even 4 years, we have not solved the Navy's critical shortage of over 22,000 mid-grade petty officers.

So, clearly, retention is the basic major problem that the services have today. Now, to quickly summarize my views, I might add that a lot of people think the draft is going to solve all of our manpower problems. To the contrary, it is not going to solve the problem, as a Congressman indicated a while ago.

First, it is my belief that practically all highly qualified high school graduates who join the military service in order to get educational benefits, as soon as they earn those benefits, if it is a very short period of time, are going to leave the service. This should be kept in mind.

I have watched this during my years of service. Enlisted men decided to make the Navy a career and then suddenly realized they needed an education and left the service in order to get an education under the GI bill.

I think that any GI bill in which educational benefits are earned in only 3 or 4 years will be a disincentive for retention. Transferability, I like. However, we should remember, a young, 23- or 24-year-old man or woman is not yet thinking 16 to 20 years into the future as to whether or not they are going to be able to educate a child either very young or not yet born.

Transferability is an extremely valuable tool, for those who have 10 or more years in the service.

As far as limiting benefits to critical skills, when you try to differentiate between one man and another, I think of the people I took on a ship into combat. The people getting shot at, or having to be away from their families, weren't thinking what rate they were at the time, and they have children just like everybody. So, I'm worried about a quick and perhaps arbitrary differentiation between skills.

When you start saying that one service person's skill is a little bit different from another's and therefore demands different and less benefits, you have problems. Frankly, I would like to see that phrase left out of the bill. Now, I'm going to make an important point here that I would be happy to address more in depth later. Any GI bill we have should have an authorization for the services to spend an amount equal to the maximum GI benefits on each individual that stays in the service.

This is distinct from entitlements where a man is entitled to certain educational benefits. A lot of enlisted men are using entitlement today. However, the services don't know how many of them are actually using them since in most cases the service person has to scratch for himself to take advantage of their entitlements.

When I talk about an inservice educational program, I'm talking about a well structured, institutionalized program in which the services have institutional goals, in which they are spending this money on the man that stays in the service, a career person.

This program would take maximum benefit—college credit—for the training that is being done by the services today. We have to make that service person feel that they are wanted, that they are accomplishing something, and that the service is truly interested in them.

If you just have a GI bill sitting out there, they will come in the service, fulfull their commitments, then take those benefits and leave the service—unless you provide them with an alternative means to get an education. And enlisted men today need more education than they did in the past. In the future this need will increase

When I came into the Navy, we didn't give officers very much advanced education. Today, in many cases, officers have to have a doctorate to make flag or general rank. We've got to start thinking that way about our enlisted men. They want college education also.

I will sum up by making about four points, Mr. Chairman, and then I will be happy to address any questions. One, I would require a minimum of 3 years of active service for partial benefits, and a minimum of 5 years for full benefits. The more a man invests in his service, the more he is likely to stay with it. And, of course, I would tack reserve services on the end of that—for everybody.

I don't think anybody should be able to earn their benefits without having obligated service in our very vital Reserves and Guard.

I would provide the transferability clause, keeping in mind that it really works for people with 10 or more years service.

I'd like to mention something that happened in 1955. I'll never forget, Congress came out with an insurance plan for when we retired. I was a very young officer.

An insuranceman told me his company could provide a better insurance policy and that the Congress had screwed up, in other words. You know what I told him? I said, "Look, if it is not right, Congress will correct it." Five years later, they did.

Today, I'm afraid our young people don't look to Congress as their lobbyists, so to speak. What you are doing here today, and what the administration is doing, is going to go a long way in restoring that service person's confidence in those people that put him in the uniform. Thank you, Mr. Chairman. I will answer any questions.

Mr. **Edgar**. Thank you very much for your very articulate statement, and I appreciate your sharing with us from your experience.

I yield to my colleague, Mrs. Heckler, from Massachusetts.

Mrs. **Heckler**. Thank you, Mr. Chairman.

I would like to congratulate you also, Admiral. I think that was an excellent statement. You provided a very new concept in terms of the partial benefits as a partial incentive, the first incentive, and then full benefits after 5 years.

I have only one comment to make: Did you serve with women in the military, at any time, sir?

Admiral **Matthews**. Did I what?

Mrs. **Heckler**. Serve with women in the military?

Admiral **Matthews**. Oh, yes ma'am. In fact, the first shot I got was by a new WAVE, and it took her 20 minutes to get the needle into my arm, back when I was about 22 years old, and she did a good job later on.

Mrs. **Heckler**. Would you like to have all these benefits extended to the women in the military?

Admiral **Matthews**. Absolutely.

Mrs. **Heckler**. I think it would be very helpful if you could refer to the men and women because, throughout your whole testimony, you have referred only to the men, and we women like to feel that we are going to be included in this.

Admiral **Matthews**. The women are part of it, ma'am. I should have said serviceperson. I think my written statement says that.

Mrs. **Heckler**. Well, you can say women. [Laughter.]

I don't mean to belabor it, but I do think that the women are making a very substantial contribution in the military today, and they deserve the mention.

Admiral **Matthews**. The women do a vital role. We can't do without them.

Mrs. **Heckler**. Are you in favor of a draft at this time?

Admiral **Matthews**. Yes, ma'am.

Mrs. **Heckler**. You are?

Admiral **Matthews**. Yes, ma'am. Not to solve our retention problem. We need in our services, in my view, a mixture of all elements of our society. That is vital.

I know when I came in, in World War II, you had all elements there, and it was good for all of us. I think you have a better citizen when you have an individual that has served with all kinds of our people.

I'm afraid in our All-Volunteer Force, we don't do too well in closing this unless we provide better incentives. Yes, ma'am, we do need a draft.

Mrs. **Heckler**. Thank you.

Mr. **Edgar**. Mr. Boner?

Mr. **Boner**. No questions.

Mr. **Edgar**. Mr. Sawyer?

Mr. **Sawyer**. Thank you. I appreciated the testimony, Admiral; there's nothing like hearing from someone who has been there. I spent 4 years, from 1941 to 1945, in the Navy, 2 of them as an enlisted man and 2 of them as an officer. Now, they never let me get up anywhere near the kind of altitude you have attained, but I did have a taste of both sides of that situation.

While you didn't quite say this, I felt you may have slightly approached it, it is kind of bothering me that we have really a structural problem in the services now. I think we are still operating on either a very small service basis or a draft-based service, instead of really making it as attractive a career as we could make it. This inservice education, I think, is something that while we are probably doing some of, we are not doing anywhere nearly enough of.

I had a cousin, for example, who was a career Navy man, and he was sent through Harvard for his MBA on full active duty, and stayed on and ended up with the Stanford Research Institute now, out in California, but he spent a full career until retirement.

It is that kind of thing that I really think this thing is. While a GI bill may not be a helpful tool, depending on how it is cast, I think the look has to go a lot deeper than that.

If you look at any police force around the United States, it has problems—not that they are different than the military, I know that, but they do have problems vis-a-vis other civilian occupations—and, yet, almost all of them have big waiting lists and have no problem with holding people until retirement.

It just seems to me we are trying to operate a volunteer-based attractive career on some other kind of basis, and I think we're capable of making it that. I think this inservice education and appropriate advancement and everything else based on attainment and so forth, is a big element that—and making it much more easy to transit from the enlisted to the commissioned ranks and all the way up to the flag ranks which, you know, has been still almost not heard of in the services either. I really appreciate your testimony, and it has been very helpful to me.

Admiral MATTHEWS. Thank you, sir. Inservice education, I think, is an absolute need. In fact, it is almost a must. I've been trying to convince the services for the last year. Again, it goes back to the basic proposition the Congressman stated—the man feeling he is needed.

Inservice education demonstrates to the person that they are valuable to the service. I was one of those. Several times, being a test pilot and so forth, I had the opportunity to get out of the service and make much better salaries, but I felt a debt to the Navy that I enjoyed.

The Navy had educated me. They gave me everything I had, and I think both the Navy and I benefited from this. So, I'm for inservice education, and that's why I think the bill ought to have the authorization for such.

Mr. SAWYER. Thank you, Admiral. I yield back.

Mr. EDGAR. Before I yield to another colleague, the inservice you talk about, I think you would agree that that should be paid for out of the military budget and not out of the veterans budget.

Admiral MATTHEWS. Congressman, I'd have to leave that, sir, to the best judgment of the two committees. If you are going to put out about $22,500 per person enlisted—and a lot of people think you will be lucky to retain about 5 percent of those—this means you've spent about a half a million dollars to retain one person in the service.

Mr. EDGAR. But the question I'm asking, though, specifically is, should that be the role of the Veterans' Administration or should that be the role of the Defense Department? If you are going to have an inservice component, it occurs to me that that ought to be under the auspices of the Defense Department's budget.

Admiral MATTHEWS. I'll have to throw the question back, is an entitlement that's done out there now, who pays for that, the service or the Veterans' Administration?

Mr. EDGAR. Service.

Admiral **Matthews**. Entitlements? I was under the impression that is under the VA but, Congressman, I do not know.

Mr. **Edgar**. The GI bill is under the VA, but any of the inservice training, I believe, is cared for by the Defense Department.

Admiral **Matthews**. Take a chief petty officer with 15 years, he's decided that he needs a degree. Using entitlements, he goes out and gets his degree off-duty and that sort of thing. That still is paid for by the VA, if I'm not mistaken. I think that would be a bit separate from what we've done in the past. But what you are doing here is, you are taking that $22,500 maximum benefits, whether it comes out of the Defense budget or the Veterans' Administration, I really wouldn't argue about, sir. But as long as that authorization was there, it then puts the onus on the services to provide it. So, I would have to defer to the Armed Services Committee on that.

Mr. **Edgar**. Mr. Jeffries?

Mr. **Jeffries**. No questions.

Mr. **Edgar**. Mr. Smith?

Mr. **Smith**. Admiral, I just have a question. Besides flying for the military, I also flew for Pan American, and one of my pet theories has always been that maybe we should make a professional flying corps. Not necessarily to try and make everybody from a sergeant to an admiral—you being one of those people who started out as a career pilot in the enlisted program—I was kind of curious.

Are we making a mistake, in your estimation, to try and run people through a pilot system where we do need highly qualified people that could probably fly 15 years worth of good, hard squadron line flying rather than try and run them through all the service schools and run them on up through the ranks. I'm just curious what your answer would be.

Admiral **Matthews**. Well, sir, you are an officer first and a pilot second. And I think that that is one of the problems you run into. I think the Army's warrant officer program is sort of a professional pilot type of thing.

The problems that you run into when you've got a $10 million vehicle and a heck of a lot of people's lives at stake, you look around and, say, if you were an enlisted pilot, it is not commensurate with other service responsibilities and so you run into those kinds of problems. That's why most of the enlisted pilots in the Navy became officers, because they were just so qualified that it didn't make sense to keep them in enlisted grades. We had cases where enlisted pilots were sitting in that command seat and an officer, less qualified, as a copilot. Those are tender, sensitive kinds of relationships difficult to deal with—on a man-to-man, man-to-woman basis.

Mr. **Smith**. If we're talking about retention, and my theory of trying to provide some kind of feeling of accomplishment at a level lower in the rank structure so that you have a goal and you are setting it and are being able to feel like you are part of the team that is accomplishing something, I wonder sometimes that we are not being counterproductive.

I think retention is a big problem, as you stated, and I wonder how much in certain rank areas. Obviously, the officer corps already has college degrees, for the most part, in the service now—I certainly think we have to target the people we're after. If the supergrades and the enlisted is where we need the help, then are we not directing this enough toward those people. Should the officers be able to have the transferability in order to have their children educated? Of this money are we spending—how much of it is extraneous and how much of it could we target and maybe have better retention of people we really need to retain?

Admiral MATTHEWS. As an officer, I was never upset by anything we did to help the enlisted community. I do not believe that to do something for the enlisted man, you've got to automatically do it for the officers.

I realize that we've got problems in both arenas, but you have to give that some consideration. I don't think that the officer community in any of our services today, would have any objection to anything we could do for the enlisted person because they are having to suffer as well from the lack of qualified and experienced personnel in the forces.

Mr. SMITH. I think maybe we'd be better off to limit the bill possibly to enlisted men and not to officers, since we have had a goal for the last 15 to 20 years to try and provide only college graduates in officer rank.

Admiral MATTHEWS. I might add, I see nothing wrong with that and, certainly, after a year or two, if you saw you needed to include the officers, it is easier to add a benefit than it is to take them away if you decide it is not needed.

Mr. SMITH. Thank you, Admiral, no further questions.

Mr. EDGAR. We will have some officers to ask in a few moments, and you can ask them whether or not they want to be included.

I really appreciate your coming and your testimony this morning, and appreciate your answering the questions. Thank you, Mr. Emerson, for your introduction.

[The prepared statement of Admiral Matthews appears on p. 120.]

Mr. EDGAR. I'd like to call now a panel of people, Hon. William O. Clark, Acting Assistant Secretary of the Army for Manpower and Reserve Affairs, who was unable to be with us last week, and I appreciate his coming today; also, Lt. Gen. LaVern E. Weber, Chief of National Guard Bureau, accompanied by Maj. Gen. Emmitt Walker, Director of the Army National Guard, Brig. Gen. John Conaway, Deputy Director of the Air National Guard.

Thank you for coming this morning and being available for your testimony and your questions. I would like to say that we are a little bit concerned in that our committee has a 48-hour rule whereby we anticipate receiving the written and prepared testimony well in advance of the hearing so that those Members who have questions, can draft those questions and have them prepared for this moment. I am very concerned, Mr. Clark, that we did not get your statement in a timely fashion, and some of the other gentlemen did not have their statements here in a timely fashion.

It makes it very difficult for us to ask the kind of direct and pointed questions that are important to fully comprehend and understand your position. I recognize that part of the problem may be getting clearance from OMB and other agencies, but in the case of you, Mr. Clark, your testimony was to be available last week, and we brought you this week. It would seem to me that agencies like

OMB and the Department of Defense and other agencies of the Government should be able to clear testimony in a timely fashion.

Mr. CLARK. Mr. Chairman, I apologize for the nonavailability of the statements in the case of the other witnesses. I know those were not cleared by OMB until, I believe, 9 a.m. this morning. In the case of my statement, again, I can only apologize. I thought it had been delivered ahead of time and, certainly, I am aware of your requirement and the need, and I understand that.

Mr. EDGAR. I appreciate that. I guess I am more cranky with OMB this morning than I am with you. I appreciate your coming and sharing your time and energy. We just want to make sure that the statements that you give are official statements as well as personal comments that you make, and I hope you understand my crankiness at that point.

We are pleased to have you here, and we hope that you will make your statements as brief as possible. All of your statements will be made a part of the record, without objection, and we hope that we can explore a full range of questions, as we have in the last several days of hearings.

I'd like to move, first, to you, Mr. Clark, if you would present your statement, and then we will move through the panel and hear from all of the witnesses, and then ask questions.

STATEMENT OF HON. WILLIAM D. CLARK, ACTING ASSISTANT SECRETARY OF THE ARMY FOR MANPOWER AND RESERVE AFFAIRS

Mr. CLARK. Certainly, Mr. Chairman. My statement is fairly brief, and if it is all right with you, I will present that statement at this time.

Members of the committee, I am delighted to have the opportunity to be here today, to discuss with you proposed educational incentives.

Clearly, such incentives are of particular significance in this time of declining manpower pools and enhanced military requirements.

Educational incentives for veterans have played a significant role in the United States since World War II. As you are well aware, as originally designed, such programs rewarded young servicemen for their personal sacrifices on behalf of the military and country while assisting them in readjustment to civilian life.

The programs served their purpose well. The purpose of the incentives presently under consideration is somewhat different, although their importance is in no way diminished.

Current initiatives have as their major thrust the attraction of bright, college-bound youths who will, through their participation, bring to the present military force, Active, Reserve, and National Guard, a freshness and intellectual competence which will help the Army meet the challenges of an increasingly complex environment.

The Army feels fortunate in the fact that President Reagan has demonstrated since taking office an obvious commitment to the improvement of the Nation's military capability in all areas.

Secretary Weinberger has indicated a similar commitment, coupled with a desire to spend Defense Department resources wisely. The Congress has also clearly indicated that they share that commitment. This is only appropriate.

It is desirable that any educational incentives support the Army's effort to recruit large numbers of intellectually alert high school graduates who will learn quickly and perform well in their military jobs. Consequently, a number of educational incentives are currently being field tested, all designed to support the recruitment and retention efforts of the services.

The fiscal year 1981 Defense Authorization Act required the Defense Department to field test the following incentive programs: a noncontributory tuition assistance and subsistence program, a student loan forgiveness program, and a new noncontributory version of the veterans' educational assistance program—VEAP—in addition, it authorized the Army's continued experimentation with several enriched versions of VEAP, providing increased levels of benefits based on longer enlistment periods.

Hopefully, the test program will provide data on the usefulness of such incentive packages in attracting large numbers of bright, college-bound youths to the service.

The Army is also concerned about retention of competent, dedicated, midcareer noncommissioned officers. Allowing military personnel to transfer earned education benefits to their dependents may reduce the pressures on such personnel to leave the service in order to utilize educational benefits. However, we don't have any test data which provides us any conclusions in that regard.

When the results of the educational incentives test become available in October of 1981, we will better be able to judge the usefulness of the various incentives, either individually or in various packaging combinations, in meeting the Army's recruiting and retention needs for the years to come.

In the meantime, you should be aware that the authorization for all of the incentive programs that the Army and the other services currently have expires this year, and we are going to need some continuing authorization until we can provide recommendations to the Congress on what type of incentive programs will be most effective in the future.

I want to thank you for your continued support and your commitment to national defense. This concludes my statement, Mr. Chairman.

Mr. EDGAR. Thank you very much for your statement, and I have some specific questions, which I will hold until after all the panelists have had a chance to share their comments.

Before we move to another panelist, I'd like to recognize that in the room at this moment is Hon. Brian Dorn, who is the former chairman of the Committee on Veterans' Affairs, and he is with us today with several other people. Mr. Dorn is a distinguished lecturer in American Government and Politics at the University of South Carolina at Spartansburg, and with the former chairman is Prof. Ron Romey, professor in Political Science and Government at the university, and members of his class.

I might add that we are pleased to have our former colleague present today, but we are also pleased to have the students here. Most of the work of Congress in the first 3 or 4 months of a new session takes place in committee and subcommittee, and this subcommittee is focused on GI education, training, and employment.

Today's hearing is focused on the issue of trying to look at recruitment and retention techniques within the All-Volunteer Force, and trying to make the All-Volunteer Force work.

We would like to welcome all of you here, and we appreciate your presence. Somewhere here in the room there is a picture of Hon. Brian Dorn, I think over here, for those of you who want to take a picture of that or look at it, we appreciate that. Again, thank you for coming by.

Our next witness will be Lt. Gen. LaVern E. Weber, who is the Chief of the National Guard Bureau. We appreciate your being here today and, again, your statement will be made part of the record, and we ask you to summarize.[1]

[The prepared statement of Hon. William D. Clark appears on p. 123.]

STATEMENT OF LT. GEN. LAVERN E. WEBER, CHIEF OF NATIONAL GUARD BUREAU, ACCOMPANIED BY MAJ. GEN. EMMETT WALKER, DIRECTOR OF THE ARMY NATIONAL GUARD; BRIG. GEN. JOHN CONAWAY, DEPUTY DIRECTOR OF THE AIR NATIONAL GUARD

General **Weber**. Thank you, Mr. Chairman. My statement, too, is quite short. I would add, again, my apologies for the late arrival of our cleared statement.

Mr. Chairman and members of the committee, thank you for the opportunity to appear before you today to discuss the educational assistance programs for members of the Armed Forces.

Accompanying me on the extreme right is Maj. Gen. Emmett Walker, the Director of the Army National Guard; on my left, Brig. Gen. John Conaway, the Deputy Director of the Air National Guard.

We in the National Guard Bureau believe that an education assistance program that includes the Guard and Reserve is essential. As you know, we currently have such a program. We have made some advances as a result of this program, and we think that we can make even more with the continuation of this type of assistance.

Despite the incentives provided by the Congress and the best efforts of our people, the Army National Guard has experienced difficulty in recruiting and retaining qualified people. Progress has been made, but not enough to meet our required strength. The Army National Guard with its current membership of 378,000 is at 89 percent of its authorized peacetime strength.

With great effort, the Air National Guard has reached its highest strength since its inception in 1946. Its more than 97,000 members reflect 96 percent of its authorized strength. Even though this is a significant achievement, the Air National Guard has been unable to attract sufficient members in critical skill areas which has resulted in a shortage of 5,000 people in that category.

Recruiting and retention require an inordinate amount of time to administer and make heavy demands on our already overburdened commanders. Even so, the Army and Air National Guard are working very hard to improve their posture in the total force and to sustain the All-Volunteer Force.

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[1] See p. 124.

Notwithstanding the support and assistance of the Congress, we still have not made sufficient progress. Although our situation is not as bleak as it has been in the recent past, there is much to be done.

We believe that an education assistance program representative of the total force would greatly assist the National Guard in its endeavors to attract and retain the quality of people we need to become a more effective and efficient organization.

Mr. Chairman, I appreciate the invitation to present the National Guard view on this important issue, and we are now prepared to respond to your questions.

Mr. EDGAR. Thank you very much for your brief statement and your support of at least this issue in terms of focus. I wonder if Mr. Conaway or Mr. Walker has anything additional that they would like to add at this time.

General WALKER. Mr. Chairman, I have no statement and I request that General Weber's statement serve as what I have to say.

[The prepared statement of General Weber appears on p. 124.]

Mr. EDGAR. I yield to my colleague from Massachusetts, Mrs. Heckler, and then I will come back to questions.

Mrs. HECKLER. Well, I have only one question, General. I am interested in what your definition of critical skill areas would be in terms of the National Guard and its role.

General WEBER. For the most part, we define the critical skill as the one that is difficult to recruit, retrain or train.

Mrs. HECKLER. What types of functions would fall within that definition at this time in terms of the Guard?

General WEBER. For the most part, in the Army National Guard, we refer to our combat arms skills as those that are difficult to recruit and retrain—infantry, armor, and artillery. Likewise, for officers one could consider such assignments as aviators as critical skills due to the lengthy period of time required to train them.

Turning to the Air Guard, one particular skill that is not so difficult in terms of training but is very demanding and is classified as a critical skill, is one of security—individuals involved in security missions.

Mrs. HECKLER. Is the term critical skills one that is generally used in the military? Is it a term that is well known, or is it a special one that has meaning in this legislation?

General WEBER. It is one that is generally understood in the military, but I would suggest, again, that it varies by service and in the Guard, where we are scattered through 2,600 communities. A skill that is critical in one geographical area is not necessarily critical in another. The same is true in our Air Guard units. Certain skills may be plentiful in an industrial area, while scarce in other areas.

Mrs. HECKLER. And, of course, these skill needs and shortages could change with time. In a certain period, you'd have a difficulty with one type of skill, in another period, another. This, I see, is one of the difficulties of the legislation, in the sense that it creates such a moving target that I think that there could be resentment among others in the unit who do not happen to be in that critical skill definition within a certain period, but they might have been critically needed a few years before.

General WEBER. That is true, ma'am, and in the Army in particular, we do find that these critical skills are broadened from time to time, we add additional skills that qualify as a critical skill; therefore, our incentives are spread to cover those additional areas.

Mr. CLARK. Let me comment on that also. You are correct that changes are made in the critical skills on the Active side as well as in the Guard and Reserve. These changes occur less often in the Guard and Reserve, but on the Active side, we add and subtract from time to time.

There is, however, a basic core of critical skills that seems to remain constant over time; but you are correct in your statement, or your concern, that applying a basic entitlement to critical skills does create some problems in being able to respond to the actual market conditions that exist at any particular time.

Mrs. HECKLER. Yes. I think this poses a difficulty in terms of the application of the law, and also the question of resentment among the others in the same unit. I don't know if this would cause a morale problem, but is there presently a different incentive for those in a critical skill area, in the military?

Mr. CLARK. Yes, in the educational incentives and in the bonuses, too, which is a very visible issue because bonus dollars are up front and, therefore, probably even more visible than educational incentives, for that matter. We have not felt that there has been any particular resentment with regard to some soldiers getting a bonus because they enlisted in a critical skill vis-a-vis others that enlist in another skill and don't get a bonus. It is, by and large, their choice and, to a great extent, the critical skills in the Active side are those that are less attractive—I mention combat arms because those skills don't have a relationship to any civilian job potential that a person might have.

Mrs. HECKLER. Exactly.

General CONAWAY. If I may comment on the Air National Guard, of our 97,000 personnel, 31,000 of those skills today are considered critical skills.

Mrs. HECKLER. One-third?

General CONAWAY. That's one-third that are critical skills that affect the "C" rating, the combat rating of a unit. We have approximately 27,000, slightly under, of those that are filled. Now, these skills are skills that require, in most cases, a higher scoring on the entrance exams in order to go to an avionics school, munitions school, certain communications schools. How do we define critical skills in the Air National Guard and the Air Force? They are defined as sortie-producing skills that are needed at the forward operating base in wartime where the unit would fly from.

Now, in many cases, our administrative and personnel, some of these skills are not included at that time, they are needed today, they would not go forward, necessarily, with you. Mission-producing, sortie-producing skills are critical skills.

Mrs. HECKLER. Mission-producing and what's the second word?

General CONAWAY. Sortie-producing. The same as a mission. We call it sortie. These are very critical to us, and our bonus program in the Air National Guard has only been for critical skills, be it enlistment, reenlistment or educational benefits, and we have had no problem with that, thus far.

Mrs. **Heckler**. Mr. Clark, I'd like to ask you about the training for the Reserves and the National Guard. Has there been a difference in mission orientation or evaluation in terms of Reserve or Guard performances?

Mr. **Clark**. First of all, let me make quite clear that the Reserve component soldier who enters on active duty undertakes exactly the same training as the Active component soldier. He will go into the training establishment mixed right in with the Active soldier, and complete his basic and his advanced individual training alongside Active soldiers.

We then evaluate our Reserve component soldiers and organizations using the same standards, the same tests, that we do for the Active Force. Now, clearly, there are different results, if for no other reason than, simply, the difference in time that an Active unit applies to its skill training versus the time available to a Guard or Reserve unit; the same standards apply, though.

Mrs. **Heckler**. I see a tremendous difference in performance, morale, recruitment strength, troop strength, of different Reserve units in my congressional district. One would have a very strong spirit, be very motivated, active, and recruitment would not be difficult. Another would have many vacancies, and so forth.

What I have also seen is, there seems to be a new sense of mission in some Reserve units, and also in National Guard, that it seems that there is a new set of goals or the involvement has changed, or somehow the commitment or the requirements have been changed, they have been upgraded, they have been made harder, but they are more attractive to the person who is genuinely interested.

Now, is this a perceived difference on my part, or a real difference? Has something really changed in the Reserve and National Guard?

Mr. **Clark**. Some things have really changed, Mrs. Heckler. The reliance on the Guard and Reserve has been more clearly articulated in the last few years than it had been before.

Also, we have more units with more critical missions than earlier, in a very real sense. For example, as General Weber can tell you, we have units in both the Guard and the Reserve that are part of the Rapid Deployment Force, and that is a very real mission.

Finally, we have completed one tasking that I think is extremely important. Every single unit of the Guard and Reserve has been lined up with its wartime chain of command so they know precisely how they would fit in if, indeed, we had to mobilize and go to war. They understand that nothing ever goes exactly according to plan, but every single unit now does understand just where they fit in, what their relationship will be, and to that end, then, they have a better understanding of what their specific mission will be and who it will be with. The objective of this alignment is to develop a better and closer training relationship between Guard, Reserve, and Active Forces. You are familiar with our affiliation program and with the fact that we are striving to get a greater integration of the Guard and Reserve and Active Force. All of these actions have significantly contributed to the sense of mission, and I think that it's very important that people understand that they have a very real and not a make-believe mission to accomplish, and good people respond well to that.

As to your comment about difference in units, I must say that a good part of that difference has to do with the leadership and certainly a good part of it results from the support, perceived support, they have within the community.

General **Weber**. Mrs. Heckler, if I may, speaking specifically to your State, there has been a very definite redirection of interest and effort of State leadership. The Governor has taken a very active part in the Guard in Massachusetts. General Vartanian has initiated some new and very fine programs. The State has reversed its declining strength, and is showing a net increase. This improvement ties very closely to the leadership, not only in the community, but at the State level.

Mrs. **Heckler**. There certainly has been, and I will say that in the 1978 blizzard which inundated Massachusetts, after being, I have to say, rejected by all the military authorities, I did go to the Secretary of the Army and won his support to activate the National Guard on behalf of snow removal, which was becoming a real crisis.

The National Guard units were willing to serve, and anxious to, but the military officials were not willing to allow them to have that assignment until Secretary Clifford made a commitment. As a result of that and the performance of the National Guard, which was absolutely spectacular, I think the State developed a great respect for this unusual resource, and that followed by a new commitment has produced visible changes that I have witnessed myself.

So, if one has only a crisis of a blizzard and the resources are there, the utilization of the Guard was not only a public service for the State, but I think it was a renaissance for the spirit of the Guard, who could prove, who did prove, to the community that they were competent and able and ready to serve, and so forth. That was, I think, the beginning of this community involvement and community support, which is very strong in my State today, and did not exist in the same dimensions earlier. Sorry, Mr. Chairman, for the asides on Massachusetts.

Mr. **Edgar**. Well, we appreciate Massachusetts, it's a good State. It is also in the Northeast-Midwest Coalition which I am chairman of, so we are very appreciative of any special interest in Massachusetts.

I have a couple of questions that I'd like to ask. Mr. Clark, could you give us a brief background analysis of yourself? What is your background?

Mr. **Clark**. Mr. Chairman, I have been over in the Pentagon now for about 7 years, initially as the Deputy Assistant Secretary for Reserve Affairs, and now as the Acting ASA. Prior to that time, I was in a variety of businesses for a period of time.

Prior to that, I was in the U.S. Army. I was a graduate of the Military Academy, served during the Korean war, was wounded several times, and was retired for physical disability. I come from an Army family. My father was a West Point graduate, a gentleman by the name of Mark Clark. My grandfather was a Military Academy graduate. So, what I am doing is a labor of love, and I have a great strong feeling for the U.S. Army and the military forces of this country.

Mr. **Edgar**. Your background and career is, indeed, distinguished, and I wanted to at least put some of that on the record.

It concerned me that last week in our hearings, we had some very strong and some very aggressive testimony on Tuesday, from Gen. Edward Meyer, Chief of Staff of the Army, and others, talking from their own personal point of view. In fact, I believe to a person, every one of the active military officers who have testified before our committee believes that a GI bill for recruitment and retention is absolutely necessary if the All-Volunteer Army is going to work—it, with an ingredient of other incentives.

We also heard then on Thursday, from those representing the civilian side of the defense system, some hesitation about moving at this point in history for a GI bill, awaiting the tests that are coming out.

We also discussed in some detail the problems with those tests—the fact that they are limited in scope, some of the aspects of the test have not quite been fitted in at this point, and it is important, I think, for us to kind of get the full range.

I wonder if we might go through the panel and get an answer to a very, very simple question. In your personal view, given all that you know about the difference between the military and the civilian side, do you support at this time in history the reenactment of a new GI bill for recruitment and retention incentives for the All-Volunteer Army, the National Guard, and the Reserves? Let's start with General Walker.

General **Walker**. First of all, sir, you are looking at a product of the old GI bill.

Mr. **Edgar**. A very fine product, I would say.

General **Walker**. Well, I hope so, sir, because I am most appreciative of what the GI bill did for me. I have to tell you today, representing the National Guard, that we should have an incentive for the Reserve components, educational incentive for the Reserve component.

We know what the GI bill that I referred to, that I was part of, did for our Nation, our communities, our young people, and I happen to think that a big part of the progress made in this Nation since that time can be contributed vastly to that.

Mr. **Edgar**. General Conaway?

General **Conaway**. Yes, I definitely support the GI bill. As you know, hindsight is always better than foresight. We made a mistake in this country a few years ago, after going to the All-Volunteer Force, when we discontinued the GI bill as we knew it.

I think it is important to the active components to have a GI bill, and we would like to be included. For the Air National Guard, we have a good incentive package that we think is working. We don't want to lose that or see it tied in with the GI bill. We want to fine tune our incentive package in order to fill our critical skills; our enlistment-reenlistment bonuses are very important to us, as is the educational assistance we currently have. So, we would be concerned with how the GI bill would impact on the Guard, but I know from the active component standpoint, in my view, it is very important.

Mr. Edgar. Lieutenant General Weber?

General Weber. Sir, I will mention at the outset the recruiting and retention support and educational assistance package. We now have a reasonably good package that has taken several years to develop, and an educational assistance program which only has recently been increased from $2,000 to $4,000. At the $2,000 level, the take was very small. At the $4,000 level, it is much, much improved. The balance of that package is in the enlistment bonus and reenlistment bonus.

These three ingredients are vital to the incentive package that we need. As the proposed educational assistance bills are presently written, they do not provide us the up-front incentives that we need to bring people into the Guard.

I can definitely see the fallout benefits from those individuals that leave the Active Service after accruing these type benefits. However, I would only state that it is vital that we retain the currently approved incentives in the format that they are now found. We would also hope that we would have the authority to continue to provide for those incentives any type of new legislation.

Mr. Edgar. Thank you. Mr. Clark?

Mr. Clark. Mr. Chairman, you have already heard my comments on how important I believe educational incentives are. I'd like to add that the Army is today not successful in attracting the numbers of high scoring high school graduates that I believe that it needs to attract.

A variety of educational incentives have just gotten started, some only applicable to the Army, and we do not have the results of those tests. Therefore, I think that it would be inappropriate for me to prematurely judge what the results of those tests will be and what the proper package should look like.

I will say this, however. I think it is important that, whatever incentives are decided upon, they be packaged and perhaps titled in some way that gives us the marketing ability to effectively sell them and that they also signal to the country at large our dedication to the fine men and women that do serve our country.

I also think that it is clear that whatever we do must have application to the National Guard and Reserve because we have significant manpower problems in those forces. We have the same kinds of difficulties in the Reserve components as in the Active Force in attracting the people we want, and we must be able to rely on the Reserve Components.

Finally, I think the package should have the transferability provision that you have heard mentioned so often because we do have retention problems—not to the same degree that the Navy and Air Force have—but we do indeed have retention problems.

I'd like to add that, in my view, the Army needs a competitive edge in this business of attracting people to the Service—a competitive edge not only vis-a-vis other opportunities that don't require service, but also among the Services because, clearly, the Army seems to have the greatest difficulty in attracting the kinds of men and women needed.

Mr. **Edgar**. Thank you all for your specific responses to that question. I have just a couple of other focus questions, if you can be patient, but to that question, I think it is important to hear your comments, and we've had a great deal of data about the fact that the testing that is going on has already proven some results, but one of the negative aspects of the variety of tests that are available is that we are not sending very clear signals to our recruiters and not sending the kind of clear signals, Mr. Clark, that you talked about, to the Nation.

I wonder if we could just turn to one other issue, specifically to Mr. Clark. I understand the military already makes allowances for differences in the cost of living between regions within the United States. One of these compensation tools is the variable housing allowance that is provided.

Could you describe that program and that benefit?

Mr. **Clark**. Yes. Basically, if the average housing cost for a member's grade group in a particular area is in excess of 115 percent of that group's average quarters allowance, then the member receives an additional percentage of his quarters allowance equal to the difference between that average housing cost and 115 percent of his groups average quarters allowance.

We went through a very massive survey throughout the country to determine just exactly what those differences were. You appreciate that we have a number of soldiers, including those on recruiting duty and those serving with the Reserve components, who live in relatively high-cost areas.

It is toward those people that this allowance is targeted. I see this more as a cost of doing business, rather than a compensation issue because in the old days, we generally thought of the soldier and the officer as living in a military environment, on a military base and, in other cases, living in relatively low-cost areas.

The nature of that has changed, of course, and we have large numbers of soldiers in very high-cost areas. So, this allowance somewhat relieves that hardship. It does not fully fund the cost of housing that soldiers have to encounter in those areas.

Mr. **Edgar**. In another related area, would you describe the ROTC scholarship program regarding those attending either public institutions or private institutions?

Mr. **Clark**. Basically, we have a ROTC scholarship program either awarding 4-year, 3-year or 2-year scholarships to people who nationally compete for these scholarships. Those who are selected for the scholarship award are then given the scholarships if they are accepted at schools which have an Army ROTC program. The amount of the scholarship is based on the cost at that particular institution—that is, if one attends a private institution with relatively high cost, the Army will underwrite the tuition and laboratory fees and related expenses there, whereas if one attends a public State-supported institution with lower fees, we would pay those fees.

Mr. **Edgar**. We have talked about two programs in this line of questioning, one is a cost-of-living differential in the housing component, and one is the ROTC scholarship program that does make a determination of the higher cost of education in some universities.

The GI bill, in the past, has traditionally been an across-the-board bill that everyone gets the same amount of money. It has been brought to my attention that if someone is going to school in California where tuition may be free, and another student is going to MIT, Harvard, in my colleague, Mrs. Heckler's, area, that they get exactly the same amount of money for two different kinds of education and institutions.

I guess my question is, in light of what we do in the housing area and in light of what we do in the ROTC program, do you believe that some type of graduated education benefit, perhaps designed or implied through a kicker provision of this bill, could be an added incentive to make up the difference between the high cost and the low cost of education throughout the Nation? To be specific, should there be a cost-of-education escalator provided in this legislation?

Mr. **Clark**. Let me give my personal opinion on that. I think not. I see a difference, particularly with the scholarship program and the variable costs associated with that and a fixed sum under any kind of an educational incentive program, and I see the difference lying in the purpose of the two.

The ROTC program is designed to develop people who will, later on, bring with them the results of that past education benefit to the service. The purpose of the GI bill, or whatever educational incentive program you have, is to attract people into the service who will later on, generally after service, take advantage of that education benefit.

So, the value of the education under an educational incentive program for attracting people accrues later on, and the value of that education, in many cases, is of no direct application to the service.

Also, we need in the officer corps a wide variety of people with a wide variety of technical skills which come from a wide variety of schools.

Mr. **Edgar**. Except that if you are giving the same benefit to everyone you, in essence, are giving some a larger benefit if they are going to a more inexpensive university.

Mr. **Clark**. Yes, that is correct. My personal view is that it would be better to provide a fixed benefit. I think that, from a cost point of view, we need to keep the cost under control, and it would become considerably more expensive if you provided a variable benefit.

Mr. **Edgar**. Thank you. I have no further questions. Mrs. Heckler?

Mrs. **Heckler**. Yes. I would just like to correct for the record my statement about Secretary Clifford. It was Secretary Clifford Alexander.

Mr. **Edgar**. That is corrected for the record. Thank you for your questions.

We will now move to our next set of panelists. We will now hear from the Reserves. First, Maj. Gen. William R. Berkman, Chief of Reserves, U.S. Army; Rear Adm. Frederick F. Palmer, Office of Chief of Naval Operations, Director of Naval Reserves; Maj. Gen. G. B. Crist, Chief of Reserves, U.S. Marine Corps; Maj. Gen. Richard Bodycombe, Chief of Reserves, U.S. Air Force Reserves; and Rear Adm. Sidney Vaughn, Chief of Reserves, U.S. Coast Guard.

Gentlemen, we are appreciative of your coming today, and your patience in sitting through previous witnesses. Again, I would like to repeat to all of you that your full statements will be part of the record, and we appreciate your sharing those. We would hope that you could summarize, in light of all the comments that have been made eariler in terms of the hearings today, and then we will move to questions.

Let's begin with Maj. Gen. William Berkman, and move down through the witnesses as they appear on the witness list.

STATEMENTS OF A PANEL CONSISTING OF MAJ. GEN. WILLIAM R. BERKMAN, CHIEF OF RESERVES, U.S. ARMY RESERVES; REAR ADM. FREDERICK F. PALMER, OFFICE OF CHIEF OF NAVAL OPERATIONS, DIRECTOR OF NAVAL RESERVES; MAJ. GEN. G. B. CRIST, CHIEF OF RESERVES, U.S. MARINE CORPS; MAJ. GEN. RICHARD BODYCOMBE, CHIEF OF RESERVES, U.S. AIR FORCE RESERVES; REAR ADM. SIDNEY VAUGHN, CHIEF OF RESERVES, U.S. COAST GUARD

STATEMENT OF MAJ. GEN. WILLIAM R. BERKMAN

General BERKMAN. Good morning. Thank you, Mr. Chairman. It is an honor and pleasure to appear this morning to discuss the Army Reserve's interest in educational assistance proposals.

The Army Reserve has made some improvement in the strength of troop program units in the past few years, moving from an end strength in 1978 of approximately 186,000 to the current projected fiscal year 1981 end strength of approximately 216,000, an increase of almost 30,000 members of the troop program units.

However, the Army Reserve is still substantially short of the fiscal year 1982 wartime required strength level for the troop program units of 286,000 and its peacetime objective strength of 264,000.

The Army Reserve is also substantially short in the requirements for individuals in the Individual Ready Reserve. Consequently, I believe that any legislative proposal implementing the concept of educational assistance for active Federal service should also include provisions to support service in the Reserve components.

I also believe that any such proposal should not be in lieu of or adversely affect the continuation of current Selected Reserve incentive programs that are designed to support Reserve recruiting and retention of high school graduates in higher priority Reserve component units and certain critical skills. These programs are enlistment and reenlistment bonuses and affiliation bonuses for prior service personnel.

There is also currently an educational assistance program for the Reserve components which is only available as an alternative option that may be selected in lieu of the enlistment bonus.

In regard to the educational assistance program for the Army Reserve, it was increased from $500 a year maximum to $1,000 a year maximum and the total bonus available over a 6-year period was increased from $2,000 to $4,000.

As a result, there appears to be a trend of increased enlistments of high school graduates. As of March 9, 945 people, representing approximately 30 percent of those eligible, had enlisted in the

Army Reserve for the educational assistance bonus as compared with 88 enlistments at the same time last year.

This increase of almost 1,000 percent indicates an attractive educational assistance program can support strength increases in the Army Reserve troop program units. I believe these results demonstrate the desirability of extending the educational assistance across the force in order to achieve and maintain the desired quality of personnel for the Army Reserve. The level of benefits should not be at any level less than that currently authorized.

The Selected Reserve incentive programs have the important function of encouraging enlistments as well as distributing available manpower to higher priority units and to critical skills.

The Army should retain the flexibility to expand the benefits and application of those programs to correct Reserve component strength shortages in certain high priority units as they may exist or develop in the future.

I appreciate the interest and efforts of this committee to encourage and support membership in the Army Reserve, Mr. Chairman. Thank you.

[The prepared statement of Maj. Gen. William Berkman appears on p. 124.]

Mr. **Edgar**. Thank you very much for that very brief but very to the point statement. I appreciate that. Rear Adm. Frederick Palmer. We welcome you today, and look forward to hearing your statement.

STATEMENT OF REAR ADM. FREDERICK F. PALMER

Admiral **Palmer**. Thank you, Mr. Chairman. It is my pleasure to appear before this committee in support of the educational assistance programs for veterans, for members of the Armed Forces, including the Guard and Reserve.

I would like to make two points very quickly. First we have never had a broad program of educational assistance for service in the Selected Reserve therefore, we are extrapolating our active duty and our GI experience.

Second point, the Naval Reserve is currently manned at its authorized strength. Therefore, we do not need additional incentives solely to increase the number of Selected Reserves at this time. However, I expect that in due time, that we will be increasing in size and, therefore, will probably have that need in the future. I am ready for your questions now, sir.

[The prepared statement of Admiral Palmer appears on p. 125.]

Mr. **Edgar**. Thank you very much for your statement. General Crist?

STATEMENT OF MAJ. GEN. G. B. CRIST

General **Crist**. Mr. Chairman, indeed, my statement is before the committee, and I would defer an oral statement in order to entertain your questions.

[The prepared statement of General Crist appears on p. 126.]

Mr. **Edgar**. Major General Bodycombe?

STATEMENT OF MAJ. GEN. RICHARD BODYCOMBE

General **Bodycombe**. Yes, Mr. Chairman. I really couldn't add anything to what my colleagues have said. My statement is before your committee, and I would be very pleased to answer questions.

[The prepared statement of General Bodycombe appears on p. 126.]

Mr. **Edgar**. Admiral Vaughn?

STATEMENT OF REAR ADM. SIDNEY VAUGHN

Admiral **Vaughn**. Yes, sir. Likewise, I would say that my statement is very short. I really see no need to go into it, other than the fact that I would ask that the Coast Guard and the Secretary of Transportation be specifically included, as appropriate, throughout. The text of this or any other legislative proposal on this subject.

Mr. **Edgar**. I appreciate your bringing that to our attention. We had made the comment last week, when the Coast Guard was here, that they would be included in any final draft of the legislation as it makes its way through this committee and through the House of Representatives. I'm not sure what will happen on the Senate side.

Let me ask you all quickly some question that I asked the previous panel in terms of whether it is thumbs up or thumbs down on a GI education bill at this point. I pointed out the difference between the civilian side and the military side appearing last week, and I recognize, Admiral Palmer, your particular statement of the fact that you are at your authorized strength, so it would not act as a recruitment incentive at this point because you don't have that need.

There are some retention incentives that are laid out here, and some quality incentives that we are trying to develop, and there are problems with any piece of legislation. We plan to provide some amendments to this but, just in general, we are talking about a GI education, recruitment and retention bill. Are you thumbs up or thumbs down on that concept, at this point, in order to fine tune the All-Volunteer Army.

I might say as a footnote, I know there are lots of people who say we should go back to a draft, or we should have a universal service. At this point, that is not in question. The question is, can we enhance life in an All-Volunteer Army, in the Reserves and in the National Guard, by providing a GI education program? And why don't we just go from Admiral Vaughn, through the panel, just as a quick response to that question.

Admiral **Vaughn**. I would say, yes, but, however, I would put some qualifications on that, speaking for the Coast Guard Reserve.

I think we have to differentiate there are differences here between the Reserve and the Regular as far as the benefits of this particular bill. I would make two comments. First of all, I would suggest, in my personal judgment, that it should be discretionary on the part of the Secretary concerned, as opposed to mandatory. Like Admiral Palmer, right now, the Coast Guard Reserve is up to strength, and we really don't need a bill of this nature to attract the people that we need today.

Now, next year, it may be a totally different matter, but I think there should be some discretion on the Secretary's part, as to whether we would use it or not.

Second, I don't think that this bill provides the incentive for the attraction and the retention of the Reserves as perhaps it was planned, and I say that, again, for two reasons.

The Coast Guard Reserve is made up of two essentially equal parts, those with prior service and those that are nonprior service. Prior service because of the fact that the shortest regular enlistment we have in the Coast Guard is 4 years, those people leaving the service have already qualified for the basic educational assistance.

To qualify for the additional $300, of the supplemental educational assistance, they then have to spend 8 years in the Reserve, and it is my opinion that because of that, 8 years is too far down the road. Mr. Sawyer, earlier, alluded to the inflationary result that will decrease or devalue that $300—so, I don't feel that the incentive is really there for the prior service.

As far as the nonprior service, those that are just coming into the service, they are not affected at all by this bill other than by the preservice educational assistance, which is kind of a special type of arrangement, but to get those people in if they don't want to go to school right at that point, and to retain them, there is nothing there because there is a requirement that they have at least 2 years active duty.

So, in my opinion, the bill, H.R. 1400, really doesn't provide the incentive for the reservist that I think people are hoping.

[The prepared statement of Admiral Vaughn appears on p. 127.]

Mr. **Edgar**. Before we move to the next person, are there some people within your service who might put in letter form, some specific changes in a bill like H.R. 1400 that might meet the special needs of a discretionary future program for the Coast Guard Reserve?

Admiral **Vaughn**. Yes, sir, I'm sure that we could.

Mr. **Edgar**. If you could provide that for the record in a timely fashion, it would be very helpful because we plan to proceed very quickly.[1]

I'd like to move on to Admiral Palmer, again, answering the question that I've raised, as well as focusing on H.R. 1400.

Admiral **Palmer**. Yes, Mr. Chairman, I support a GI bill as an investment in the youth of our country, remembering that the GI bill contributed to my baccalaureate and masters degrees. Such a program must be structured to act as a positive incentive to join the Navy and to remain on active duty. Requirements must include satisfactory participation in the Reserves to obtain benefits while in the Selected Reserve.

As I said before, I don't see an immediate need for such a program in the Naval Reserve, but I do think we will need such an incentive as we go in the future.

Mr. **Edgar**. Thank you very much. General Berkman?

General **Berkman**. Yes. Thank you very much, Mr. Chairman. I personally support a program that provides educational assistance as a means of encouraging enlistment and retention in the Army Reserve.

As I said in my prepared statement, I believe that any proposal should have those provisions within it. I, too, agree with Admiral

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[1] See p. 128.

Vaughn who indicated that there are many individuals who enter the Reserve directly, without first going into the active component, and we should recognize this fact in creating an incentive program for the Reserve components.

I personally believe that it would be desirable that reservists would become eligible for entitlement upon completion of basic and advanced individual training, and that thereafter the benefits would inure to the reservist, as long as satisfactorily performing service in the Reserve component and satisfactorily performing the educational program.

It seems to me that the subchapter V of H.R. 1400 provides the mechanism for something like that. Since it is intended to encourage enlistment in the units of the Selected Reserve, it provides that the Secretary may enter into preservice agreements with a reservist that would provide this kind of assistance. The details are not spelled out.

I would merely comment that I personally would prefer to see that that was mandatory rather than discretionary on the part of the Secretary, and the number of months that the reservist spends on Reserve duty be shortened to 2 months in order to achieve 1 month of entitlement.

So, I think that a proposal that supports enlistment and retention in the Reserve components is very important.

Mr. Edgar. Thank you. General Crist?

General Crist. Mr. Chairman, I will be quite candid. I'm not sure, and I'll tell you why. Congress has been most generous, in 1979 and again last year, in giving us the kinds of tools we need to attract and retain Reserves.

Last year, the reenlistment and enlistment bonuses were fully subscribed. The educational assistance bonus, however was down. After Congress took the benefits up to $4,000 last year the response is coming in very, very strong; 16 percent of availability in the first quarter alone. So that is doing well. One would, therefore, never want to hazard the educational bonus. We need it.

For 1981 Congress authorized two new bonuses; the IRR and the Selected Reserve affiliation bonus programs of which you are aware. We've just got these bonuses on the track. Good results are anticipated, but it is a little bit early to tell right now.

Now, it is not clear what the marginal benefit of additional educational assistance will be. I can't honestly answer the question. I do know as we enter the marketplace we are in competition with other governmental benefits—BEOG, guaranteed student loan programs, et cetera—which appeal to the same young man that I'm trying to attract. He can receive those educational benefits, depending on how legislation goes this year, without having to incur an obligation.

With regard to H.R. 1400, specifically, I do have some problems, sir. That is, whatever we do, I think ought to be absolutely equitable in its application—across-the-board. I think the committee will agree with that.

The Marine Corps Reserve is composed of about 70 percent nonprior service marines—that is men who have never served on active duty—and about 30 percent prior service marines who have served on some type of active duty. So it is conceivable that we could end up with a situation where reservists, working side by side in the same unit, could be entitled to different benefits, under varying lengths of total obligated service, depending on whether one of the individuals had served on active duty or not, or for how long. Similarly, one Reserve marine might qualify for supplemental assistance while another might not. There also could be a disparity between individuals in the same organization as to eligibility for early enrollment. This could be counterproductive in the long run no matter how well intentioned the motivation. It might not be perceived as such by the reservists themselves.

Another small point, however, which could be a problem that we might have to face is the 1-for-3 formula in the bill. The basic entitlement is 3 years continuous active duty or 2 years active plus 4 years Reserve. If I were to compare the additional 4 years the Reserve has to spend to receive entitlement as opposed to only 1 more year on active duty and apply the 1 for 3 formula, then the requirement should be 2 years active duty and 3 years in the Reserves to be equitable.

These differences in entitlements, which may exist within a unit, will be perceived by the young men. They are smart. They are bright. They know who is getting what. So what do we do? We need more time to work on it. We need more time to understand what is going on in the dynamics of the economy. We are looking at our recruiting, at the incentives you have already given us, which need to be renewed, to be sure that whatever educational assistance is offered is a very, very fair bill that wouldn't have to be corrected later on. That's all I have, sir.

Mr. EDGAR. Thank you. Major General Bodycombe?

General BODYCOMBE. Mr. Chairman, there is a certain handicap in being so junior and to always speak last because something in all of what my colleagues have said also applies to the Air Force Reserve. Possibly I could just highlight those points.

The position of the Air Force Reserve on this particular bill is that if it helps the regular Air Force, we would support it. However, in so saying, I would have to point out the great success of the Air Force Reserve in recent years where we have, for 4 years running, more than completed our minimum recruiting and are now at almost 98 percent of our wartime manning. As a result, we and have been given, in recent years, major wartime roles by our friends in the regular force; 78 percent of our Selected Reserve unit strength are prior service people. We have been relying heavily on the people who have left active duty with highly developed technical skills.

Now, if this bill will help retain these people on active duty, then our recruiting problems in the 1980's will become more difficult, and it will be necessary for us to be competitive with the other Reserve components to attract the kinds of young men and women that we need so desperately in our technical force. However, if this bill were to pass, I would hope that there would be equality for the Reserves.

Restricting the benefits of the bill only to people who have been on active duty causes a problem for the young men and women who don't necessarily choose to serve on active duty before joining the Reserve.

The other part that bothers us somewhat in our technical business is the provision where you have added certain advantages for "critical" skills. We have some skill shortages—not to the extent that the others do but we do have them—and we think that some of the incentive programs in existence today will better solve that problem for us.

So, there, I would take a rather wait-and-see position but, overall, we live under the rule that what is good for the regular Air Force and will make them a better force will, in some way, enhance the Air Force Reserve.

Mr. Edgar. Thank you for your statement, and I was checking with staff as to whether or not you gentlemen had a special place you had to sit because, as I was listening to your comments from the Air Force Reserve point of view, I was speculating back to last week where, on Tuesday, the Air Force sat in exactly that seat and, on Thursday, the Air Force sat there and the Coast Guard sat there, and I just thought maybe we should mark the seats as permanent places.

[Laughter.]

General Bodycombe. It's possible. I'm left handed, so I feel very comfortable here. But the Air Force is junior and the Air Force Reserve is only 11 years old, so I always hold in awe my colleagues and their great years of history.

Mr. Edgar. I appreciate that. I don't have any further questions of you. I think you have heard some of the questions earlier. We are moving this legislation through the hearing process and, unless some catastrophic things happen, we anticipate going out into the field and hearing from some people within the Navy and the Army and some other military bases.

It is my intention to attempt to get this bill before the House in a timely fashion, this spring, and I would hope that those of you who do have reservations about it could articulate particularly this comment: If H.R. 1400 were to be laid on the President's desk, what changes would you want in it, whether you are for or against the legislation; what equity questions that General Crist just pointed out; what changes, as Admiral Vaughn has indicated, would you want to see in the fine tuned legislation.

If you could provide all of that for the record, it would be very helpful, so that as we mark up the legislation, we might have the opportunity to have your amendments. Thank you very much for your testimony this morning.

[The information referred to follows:]

General Bodycombe. There are some provisions in the proposed legislation which seem to be too restrictive and could, in turn, diminish the potential benefits which are intended.

(1) Sections 1412 and 1421 state that Reservists must have served on active duty for a specified time to be eligible for the prescribed benefits. Because of these requirements, no individual currently in the Air Force Reserve would ever be eligible for the educational benefits unless they returned to active duty subsequent to September 30, 1981. In addition, approximately twenty-two percent of our Selected Reserve unit strength is comprised of individuals with no prior military service and we intend to increase this percentage during the next few years. We think it would be unfair to deny the proposed educational assistance benefits to these groups of individuals because they did not serve on active duty for the time periods being specified. We feel that entitlements for reservists should be based on the number of years of satisfactory performance in the Selected Reserve or a combination of active duty and Selected Reserve service. Accordingly, we recommend that the required service for the Basic Entitlement be amended to authorize this entitlement to those

Reservists who have satisfactorily served a total of eight consecutive years in the Selected Reserve. In addition, the required service for the Supplemental Entitlement should be amended to authorize this entitlement to those Reservists who have satisfactorily served in the Selected Reserve for a total of twelve consecutive years.

(2) Section 1423 provides for additional assistance to members with critical skills. While we certainly support initiatives to improve critical skill manning, we think such initiatives are better managed through the special enlistment/reenlistment bonus programs presently in effect as well as your proposal for a "Preservice Educational Assistance Program" as outlined in Subchapter V of H.R. 1400. The selective application of education entitlements could lead to unnecessary morale problems among those not entitled which could off-set any potential gains. If this particular provision should be retained in the final version of H.R. 1400, we recommend that the authority to determine the critical skills or specialties to receive the additional assistance be vested with the individual Service Secretaries. We also recommend that the Educational Assistance Bonus, now authorized by P.L. 95-485, be terminated because of the benefits included in the "Preservice Educational Assistance Program."

Mr. EDGAR. Our next set of panelists will include a number of different associations. Maj. Gen. Milnor Roberts, Jr. (retired), Reserve Officers Association of the United States; Maj. Gen. Francis S. Greenlief, executive vice president, National Guard Association of the United States; Col. George Hennrikus (retired), chief of legislative counsel, Retired Officers Association; and Mr. Richard Johnson, assistant director for legislation, Non-Commissioned Officers Association.

I'd like to welcome all of you here this morning, and indicate our appreciation for your patience and your waiting. We appreciate your taking the time to meet with us this morning.

All of your statements will be considered as part of the record, and it would be very helpful, in light of our noon deadline and the fact that we do have one or two other witnesses, if we could have your statements summarized for the record.

Let's begin with Maj. Gen. Milnor Roberts, and then we will move through the panel. General Roberts?

STATEMENT OF MAJ. GEN. MILNOR ROBERTS, JR., RETIRED, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

General ROBERTS. Mr. Chairman, we appreciate the opportunity to be here, and respecting the time problem, I would like to just mention a few highlights of my statement that has been submitted, and make several other comments.

We believe that the total problem has to be addressed in three ways, only one of which has been addressed this morning, and that has to do with educational assistance.

We would also commend for your attention the bill of Congressman Hunter, which would extend the present GI bill beyond 1989, which we think is very commendable.

We also world invite your attention to a bill introduced by Senator Chafee from Rhode Island, which has to do with excusing debt presently incurred by individuals who have gone through 2 years of college under some Government funding, if they would then join the Armed Forces. I think this bill has much to commend it.

We have read a good bit lately about a horrendous debt incurred by people in the private sector, amounting to hundreds of millions of dollars and, in a way, we've had a GI bill without the GI's and something has to be done about that.

Of course, representing the Reserve Officers Association, I have views on the Reserve component side of this bill, although we are interested in the total program. With regard to the Reserve, you've heard testimony earlier that Reserve components are being relied upon to an unprecedented degree, for national defense. The figures are impressive, I won't recite them now, but I think you know that a sizable portion of our forces would come from the Reserve components.

Consequently, we believe that this bill should be amended, as Senator Warner mentioned the other day, to include the same benefits for the Selected Reserve, on the basis of a double requirement of service. In other words, where the active duty serves 1 month, the Reserve component would serve 2.

This would have a profound effect not only on increasing the strength of the Army Reserve components, but also the quality. There has been a lot said about quality in the Active Forces, but not so much about quality in the Reserve. I think the quality is good, but I think it could be better, and I think that a GI bill such as this would go far to do that.

Also, I believe that we should have a provision for a part-time type of education for the Reserve component and the Active component because many of the courses that would be most desirable from the enlisted side, wouldn't require full-time.

Now, with regard to funding, this proposal is essentially a recruiting and retention device for the Department of Defense and the Department of Transportation as it relates to the Coast Guard.

GI bills in the past, particularly World War II, Korea and, to a lesser extent, Vietnam, have been the way of making up to those citizens who have served their country, the competitive disadvantage that they have had in being away from the civilian community.

So, I believe that there is much to be said for funding this bill through the Department of Defense and administering it through the Veterans' Administration, who have shown that they can do it well and they are all geared for it.

There is another reason for that, and that is that the mood of the Congress and of the administration is to put more money in defense, but hold back in other areas, and I suspect that if this bill passes and all of this funding should hit the VA, the Veterans' Administration might be unfairly financially constrained for reasons that they are not primarily responsible for.

So, I believe that the Defense Department should incur the expense of the bill. Also, with regard to transferability, we have some questions about that. We will have a meeting of our board of directors in about 10 days, and that will be discussed at that time. So, we are not taking a firm position on it, but we do raise questions about transferability which, as someone referred to earlier this morning, was somewhat of a blank check downstream.

As Mrs. Heckler pointed out, there certainly are discriminatory provisions in the present bill, and we are not too comfortable with that. We think that it would be wise, for starters, to limit transferability to the sons and daughters of servicemen and specifically those sons and daughters who are physically incapacitated or have some problem that prevents them from really getting out and doing it on their own. And the mood of the administration, of course, is to place greater reliance on the individual and less upon, I guess, the Government.

So, this might prove a point in the legislative process that would be somewhat negative with regard to the success of the bill overall, and we certainly support the total bill. I have a lot of other details in the statement, but that would conclude my opening remarks.

[The prepared statement of General Roberts appears on p. 133.]

Mr. EDGAR. Thank you very much. General Greenlief?

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF (RET.), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General GREENLIEF. Mr. Chairman, with your permission, I will present a 5-minute summary of the highlights of my statement.

Although there is today no declared national emergency, America's manpower situation is an emergency situation. Young men and women who volunteer today to serve their Nation on active duty, are giving up the time which they could otherwise devote to vocational and career development.

It is, therefore, in our view, right, proper, and essential that today's volunteer for military service should be provided educational assistance. The records of the Committee on Armed Services, the Committee on Appropriations, of both Houses, are replete with testimony on the manpower problems of both the active duty military forces and the National Guard and Reserve Forces.

As a nation, we did away with military conscription, however, we have substituted conscription by economic duress. A large segment of military enlistees join the active services because they are unable to get better jobs in civilian life. At the same time, the Government is so free with educational assistance that practically any person with the desire, attitude and aptitude for higher education, academic or vocational, can obtain an education by use of Government-sponsored loans.

I understand that the annual cost to the Federal Government for that program, on those programs, is $4.8 billion. We gather that a majority of the college eligible people regard military service as an obstacle to the achievement of their long-range goals.

A generous GI bill, one that offers benefits superior to those currently inherent in Government student subsidy programs could cause young men and women to seek military service as a way of achieving their educational and training goals.

Although the Army National Guard has achieved a net personnel strength gain during the past 2 years, a severe manpower shortage continues to exist. A similar problem exists in the U.S. Army Reserve.

The fiscal year 1980 end strength of the Army National Guard was 366,585, and although that strength was 8,000 greater than the budgeted strength, it was 77,400 short of the Army Guard's wartime strength requirement of 444,000, but probably the most serious military manpower shortage exists in the Army's pool of pretrained military power, the Individual Ready Reserve, the IRR.

The purpose of this pool of pretrained manpower is to provide a source of trained soldiers to fill active Army units, fill Army Guard and Reserve units, and to provide for combat loss replacements until the Selective Service System and the Army training base can begin to provide the trained manpower.

To the extent that Guard and Reserve units can be brought to 100 percent of wartime strength, the demand for pretrained personnel can be lessened; however, the demand for combat loss replacements can only be met by filling the IRR.

We believe the IRR can be filled only by some sort of draft or by means of an incentive which will greatly increase the number of personnel enlisting in the Army for a period of 2 or 3 years, after which they will complete their military service obligation in either the Selected Reserve or the IRR, as currently required by law.

We support all of the provisions of H.R. 1400. We know that there is some opposition to the transfer or passthrough authority in H.R. 1400. However, we believe that that transfer authority provision would help solve the retention problem which all services currently suffer.

The special provisions of H.R. 1400, which would permit the service Secretaries to provide preactive duty paid technical training to high school graduates is truly unique.

This provision would provide personnel who have special aptitudes an opportunity to enter the service with already acquired skills needed by the military forces. This training would permit those enlisted personnel to advance in military rank and pay grade more rapidly than their contemporaries. Hopefully, that higher pay which these pretrained soldiers could earn could be expected to cause them to serve on active duty longer, thus, helping to solve the retention problem.

H.R. 1400, S. 5, S. 7, H.R. 1206, and H.R. 135 all provide additional GI bill eligibility and benefits for service in the Guard and Reserve. We recommend that these provisions be included in the GI bill which is finally enacted.

Failure to include benefits for Guard or Reserve service would produce legislation which fails to address the full range of our military manpower problems.

Mr. Chairman, there is little value in solving the military manpower problems of our peacetime Army, if we fail to solve the military manpower problems of our wartime Army.

The Armstrong, Warner, Whitehurst, Bennett, and perhaps other bills provide for the payment of tuition costs. We urge that the authority to pay tuition be added to H.R. 1400.

Mr. Chairman, while we fully support H.R. 1400 and the GI bill concept, we believe that there are better and cheaper solutions. We continue to believe that the most effective and cheapest way of solving our military manpower problem is to reinstate the draft, at least for service in the IRR, and we continue support and urge the enactment of H.R. 1500, also introduced by Representative Montgomery.

We believe that the current $4.8 billion educational grant and loan programs could, in themselves, without additional money, provide a powerful incentive for military service if military service were required as a qualifying condition for eligibility for those current grant and loan programs.

Unfortunately, the alternatives to a GI bill which we propose are apparently politically unattainable. Indeed, we, therefore, strongly urge the enactment of H.R. 1400 with amendments, during this first session of the 97th Congress.

Finally, Mr. Chairman, we find it strange that in the midst of a much needed buildup of U.S. military strength, probably the nost significant in American history, the administration and the Congress has the courage, or appears to have the courage, to scale back the cost of social welfare programs and yet we apparently lack the conviction to require military service of our young men.

Mr. Chairman, I appreciate very much the opportunity you have provided me to represent the views of the National Guard Association of the United States, on this important issue, and I thank you.

[The prepared statement of General Greenlief appears on p. 135.]

Mr. **Edgar**. Thank you very much for your statement. Colonel Hennrikus.

STATEMENT OF COL. GEORGE HENNRIKUS (U.S.A.F. RETIRED) THE RETIRED OFFICERS ASSOCIATION AND THE RETIRED ENLISTED ASSOCIATION

Colonel **Hennrikus**. The testimony offered this committee by prior witnesses more than adequately supports the need for reinstitution of a meaningful, easily understood and administered program of educational incentives for the Armed Forces.

As stated many times during this hearing, such a program may be the last possibility for maintaining a successful All-Volunteer Force. Our organization feels that the program finally adopted must have a positive impact on both recruiting and retention of qualified people.

Although H.R. 1400 and all the bills offered in both Houses have attractive features, they respectfully offer modification for the committee's consideration.

All 4-year enlistees who are high school graduates and qualified for college entrance would, at the completion of basic training or boot camp, complete 2 years of college level academic requirements at an accredited institution selected by the individual.

Individuals would receive E-1 pay and allowances during the first year of the enlistment, and then would be promoted to E-2. Tuition would be paid by the parent service.

During this 2-year period, military service would continue in a Reserve or National Guard unit one weekend per month and 30 days of extended active duty each year, on in 60 days per year of extended active duty with a unit of the Regular component, whichever is more practical.

These 2 years would be followed by 2 years of extended active duty. Those accepted for a second enlistment would complete 2 more years of educational training, coupled with the military training outlined for the first 2 years, and then would complete the enlistment with two years of extended active duty or 4 years service with the organized reserve or the National Guard.

If an individual should, at any time, fail to maintain satisfactory academic standards or workload, he or she would be returned to active duty to complete the remainder of the enlistment.

An option should also be offered for those who wish to complete their enlistment prior to entering college. This could be similar to the educational benefit provided Korean veterans under Public Law 82-550.

For still others who wish to continue service, provisions could be made for reserving or banking 2 years of educational assistance for each 4 years of extended active duty, up to a maximum of 48 months. For this group, the tuition portion of the benefit would be transferable to a wife or children at the completion of 10 years extended active duty.

We feel that such a plan would be easily understood by the average 18-year-old and by his or her parents. It would offer immediate incentive and the services would benefit directly from the program in the form of continued service by more highly educated personnel.

Its cost-sharing feature for transfer arrangements would reduce some of the high cost implicit in such a provision.

Two final points, we believe it is absolutely essential that the educational loan and grant programs offered by the Department of Education must be restricted to the point that they would not compete with the Armed Forces program.

Also, we would ask that this benefit be restricted to individuals accomplishing honorable service or where appropriate, to those with honorable discharges. We sincerely hope these suggestions prove to be helpful. We all share in the conviction that this Nation must develop and maintain a war-winning capability, the only credible deterrent to war and, further, that the most essential element of this capability is dedicated responsive people.

The foregoing is offered as one possible means to help achieve this end. Thank you very much.

[The prepared statement of Colonel Hennrikus appears on p. 137.]

Mr. EDGAR. Thank you for your statement, and I appreciate your staying within the four minutes. Mr. Johnson?

STATEMENT OF RICHARD JOHNSON, ASSISTANT DIRECTOR FOR LEGISLATION, NON-COMMISSIONED OFFICERS ASSOCIATION

Mr. JOHNSON. Thank you, Mr. Chairman. In 1975, NCOA stood nearly alone in opposing the termination of the old GI bill; many people will recall that.

In 1976, we began our first efforts to have a GI bill restored, and they came to some fruition in 1977, with the introduction by Bob Wilson of a proposal which we offered.

Senator Cohen joined him in that year, and introduced the same proposal but, to this day, we still stand somewhat alone in our view of what a new GI bill should be like because we believe that it can be much more conservative than any of the programs that have been designed and discussed within this committee so far.

This year, Senator Cohen has introduced a new proposal on behalf of the Non-Commissioned Officers Association, and at noon today Congressman Emery of Maine will introduce that same proposal. I would like to invite this committee this morning, to look at those proposals and consider them as a substitute to the legislation which this committee is considering.

The NCOA proposal provides for recruiting, but it also provides for the veteran, and we feel that is the greatest benefit in the proposal. We feel that the interest in a new GI bill should be directed as much at the veteran as it is toward recruiting and providing volunteers for the All-Volunteer Force.

We provide a reserve program in our proposal. We do not provide direct transferability of veterans benefits to a dependent, child, spouse, whatever. This is an area which we have strongly opposed in the past and an area in which we have reached what we feel is a rather generous method of assisting members of the Armed Forces in educating their dependents.

We provide a contributory program, something very similar to the program that Senator Armstrong has proposed, and it would be available to those who have a genuine interest in providing education for their dependent family.

We have provided that both as a retention tool, and we feel it will be more cost effective as a retention tool, than a directly transferable program or a transferable program based on critical military occupation because it will invite those people who are acutely interested in providing dependent education benefits to participate with the Government in this effort.

A fourth provision of our bill—actually, the third provision of our bill—provides for an inservice use, a rather unique inservice use, allowing an individual to take a leave of absence for a period of time, to complete his education, with a requirement to return to service after having completed that education.

This will, we think, allay some of the problems that we have with current GI training programs where an individual will come in, serve his 4 years, get out, lose his tenure, lose his rank, lose all those things afforded to military servicemen and, therefore, lose interest in returning to the Armed Forces.

Finally, we think of the new GI education program as something that is put in place to assist the veteran and to assist the Department of Defense, but it should not be placed as a bonus program. It should be universal, all persons entering the service. It should provide the same benefits for all persons entering the service.

If there are enhancements needed, I believe that the Department of Defense can provide their own enhancements in their own special ways, which would be much, much more cost effective than creating a universal program which could cost us as much as $22,000 a person when a well placed $5,000 bonus would do the job.

Finally, with one last comment, and this regards the preservice entitlement program that is included in H.R. 1400. I'm not sure if the Chair has heard of the Berry plan. This was the last time that the Defense Department made a serious effort to provide a preservice education, in this case, for doctors. It was the panacea for the doctor shortage in the Armed Forces.

We went out and recruited all these doctors and put them through medical school and, lo and behold, we turned out conscientious objectors and every other problem you could think of in a preservice education program.

People took the education and, when it came time to raise their right hand and enlist, they had no desire anymore. They had the education, and that was it. And the court upheld in their favor.

So, I would caution against including any kind of preservice education program in any new education bill that is produced by this committee. Thank you, Mr. Chairman. That concludes my statement.

[The prepared statement of Mr. Johnson appears on p. 138.]

Mr. **Edgar**. Thank you very much. I agree with some of what you have said, and disagree with some of what you have said, but I really appreciate your patience and taking the time to be here this morning.

Just a few very quick questions. Mr. Johnson, in your testimony, I noticed some cost estimates. Do your cost estimates include universal benefit, or one only targeted to high school graduates and military specialty skills? Where do you get your numbers?

Mr. **Johnson**. Universal benefits are largely drawn from history and GAO reports and annual reports of the Administrator of Veterans' Affairs.

Mr. **Edgar**. Can you detail those a little more specifically because your testimony was quoted once before, and we had some question about the numbers that were used in terms of the specific references that were being made. I think your numbers were high unless you are talking about some universal benefit system.

Mr. **Johnson**. It was a universal benefit plan. The numbers you are referring to were in a statement by Senator Bill Armstrong of Colorado, and they were based on discussions that I had with his staff. To refresh the committee's memory, what he quoted me as saying was:

> Dick Johnson of the Non-Commissioned Officers Association has estimated that if just 80 percent of the eligibles use 80 percent of their entitlement, the cost of a new GI bill could rise to $15 billion or more.

Now, let me put that in perspective. We have 364,000 people—and, again, I'm talking universal program and——

Mr. **Edgar**. You're not talking about H.R. 1400, you're not talking about any specific bill, you're just talking universally.

Mr. **Johnson**. We were talking about making the Armstrong bill a universal program, and that is what these figures are based on. If the Armstrong bill were a universal program where there were no contributory aspects to it.

Mr. **Edgar**. We just wanted to make it clear for the record because the way it sounded, it might give the impression that the bill, H.R. 1400, would cost that.

Mr. **Johnson**. Conceivably, in out years, H.R. 1400 could cost that, in the 1990's. One of the things I'd like to remind the committee of——

Mr. **Edgar**. Do you have some data to back that statement up?

Mr. **Johnson**. I will be happy to develop the data and provide to staff.

Mr. **Edgar**. That would be very helpful.

Mr. **Johnson**. All right, sir. One of the things that disturbs me is, the congressional memory does not recall that one of the prime reasons for the termination of the old GI bill was the cost that it was approaching.

When we started talking about eliminating chapter 34——

Mr. **Edgar**. I thought the prime reason for eliminating the GI bill was the World War II members who didn't understand the need to continue the GI education bill as a recruitment and retention incentive.

Mr. **Johnson**. It was. That was not why it was terminated, that is what happened and that is what resulted. Why it was terminated was because President Ford sent forward a recommendation to cut it as a budget item because the GI bill was becoming too expensive.

Mr. **Edgar**. This member did not support that recommendation, but I appreciate your putting that in perspective.

Mr. **Johnson**. I appreciate that very much, sir.

Mr. **Edgar**. That was a Republican President, wasn't it? [Laughter.]

Mr. **Johnson**. Yes, sir, it was. And it was—for want of $25 million a year, we lack a draft today. It was just a case of poor planning, poor prognosis of what would happen.

Mr. **Edgar**. I was just interested in clarifying the numbers, and I appreciate any data that you might give. We only have a couple of minutes and then must move on to the next witness, but we've asked a lot of questions this morning, one dealing with the issue of a regional kicker and a regional cost that differ from California and Mississippi to Pennsylvania and Massachusetts.

Do any of you have any comments about that regional issue? General Roberts?

General **Roberts**. In our statement, we referred to a ceiling of $3,000 per year, but we suggest that since some individuals may wish to go to schools of far higher cost, that a provision be made for a matching fund arrangement. In other words, if someone wants to go to Harvard at $10,000 a year, then the difference betmeen $3,000 and $10,000 or $7,000 would be split between the individual and the Government.

This wouldn't be widely used for various reasons, but we do believe it would be wise to include this provision; otherwise, you will have vast differences, but I see no way around that.

A community college in California with no tuition and small fees versus a private institution using the maximum $3,000, I don't see any way out of that one, but I do suggest that we take a look at a matching fund above $3,000.

Mr. **Johnson**. Mr. Chairman, in that same question, with regard to that same question, traditional veterans programs have provided a baseline of benefits which have been universal, and we support the continuation of that line of thinking of that concept.

If the veteran, himself or herself, believes that a private college degree, a Harvard degree, is worth the additional funds that it will cost, then that must be a personal decision upon which the veteran must make a choice as to whether he or she is willing or not to pay for that so-called status, that name degree, that name school degree.

Public education is widely available throughout the United States, and the cost of education throughout the United States, while it varies a little bit by region, is not enough to justify setting up some kind of a special program simply to accommodate people who want a status degree.

Mr. **Greenlief**. Mr. Chairman, I would concur with that.

Mr. **Edgar**. If the gentleman would hold for just a second. While you are providing those other statistics, I'd like you also, if you could, to provide statistics on that final comment that you've made, that education costs do not differ widely by region.

I've done a little bit of homework, as chairman of the Northeast-Midwest Coalition and, as we laid out in the old GI bill who was taking advantage of it and as we laid out the cost of education regionally in this country, we discovered that there are vast differences, not only regionally but within certain States, and if you take a chart and just look at who took advantage of the GI bill, you will discover that in some of the northern tier communities, there was less enthusiasm.

I'm not sure exactly what all the reasons for that were, but I just would like to have some data from your point of view, as to the comment that there are only mild differences of education costs.[1]

General **Roberts**. We have in our statement on pages 2 and 3, some of what you are asking.

Mr. **Edgar**. That's right. Thank you. Mr. Greenlief, I apologize for cutting you off, and we need to move on, but you had a comment to make.

Mr. **Greenlief**. Mr. Chairman, all I was saying is that I would concur with Mr. Johnson's comment that the benefit should be a standard benefit, and then the individual who wanted a better education, if you will, could pay the difference.

Having said that, however, I was not aware of the point that you just made, that there is a basic or radical difference in the cost of basic education, by geographic areas of the country. And if that is so, then I could well change my mind, so I will withdraw my concurrence.

Mr. **Edgar**. I think we need to do some study, all of us, and I'm not trying to be definitive and say that any legislation that we would produce would have that regional kicker, but I think that we have some data based on the old GI bill and its use, and we also, if you ascribe one basic benefit for the Nation, you say, in fact, be providing a larger benefit to those who live in the South and West than those who live in the Northeast and Midwest. I just want to be aware of that, so we are going to do some homework on that issue.

I appreciate your coming today and your testimony, and apologize for squeezing you at this point. Thank you very much.

Mr. **Edgar**. Our final two witnesses today come from Paralyzed Veterans of America and Disabled American Veterans. Our next witness was to be George Conn, legislative director of the PVA. George called this morning to regret that an illness prevented his being here today.

All of this committee who have come to know George have the highest regard for his outstanding service, and I'm sorry that he couldn't be here today. I understand that we do have other witnesses who will speak on George's behalf. Also, Steve Edmiston of the Disabled American Veterans.

Before you proceed, I have a short statement that I would like to read if I could.

I want to welcome the Disabled American Veterans to the hearing this morning. You are the first veterans service organization to testify on this legislation. If anyone has the right to be here and to speak for the American veteran, it is you.

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[1] Not received at time of publication.

This is your committee, and I can assure you that I, for one, will not forget the obligation to serve you. I have read your testimony and I understand your concerns about this legislation, both for its cost and for its principle.

Let me assure you very strongly, it is not the purpose of this committee to trade off the benefits of those who have served this country in the past just to accommodate either the tight budgets or new ideas.

Education benefits are meaningless to the paralyzed veteran shut up in a substandard hospital 1,000 miles from home because the Federal Government has closed a spinal cord injury center due to lack of doctors or nurses or research personnel.

If disabled veterans cannot receive the proper vocational services mandated just last year by the Congress because of lack of funds, how can we spend the money to entice new young men and women to join the military and possibly face that same fate.

If the Vietnam veterans are out walking the streets, angry, alienated, out of work, and out of patience, what kind of example does that show to those who serve and risk their lives for their country at the present time. Even after saying those things, I still believe that we have a good bill in H.R. 1400, with some minor amendments, a bill that will serve our country and serve those who will serve our country in the future.

I believe we can do both, defend and protect you and defend and protect our country, at the same time. We have a stake in both claims, and I believe the American people and this committee are willing to keep both obligations.

I appreciate your coming this morning, and I recognize you at this time. Your statement will be considered as part of the record.

STATEMENT OF STEVE EDMISTON, ADMINISTRATIVE ASSISTANT, DISABLED AMERICAN VETERANS

Mr. EDMISTON. Thank you, Mr. Chairman. On behalf of the 686,000 members of the DAV, I wish to extend our sincere appreciation for your commitment and your concern for our members and their needs.

I also wish to recognize the fact that we appreciate your concern over the funding of the vocational rehabilitation program, and hope that you are instrumental in seeing that the funding is there this year.

Mr. EDGAR. We will do our best, and I understand we have a budget hearing on Thursday where we are going to have to protect a number of budget cuts that will be proposed, and I, for one, am going to stand very firm on Thursday, to make sure that those cuts are not made.

Mr. EDMISTON. Thank you very much, sir. With regard to the pending legislation, H.R. 1400, the DAV views it as a recruitment and retention incentive to assist the troubled All-Volunteer military force.

The position of the DAV with regard to H.R. 1400 is one that the DAV does not object to innovative approaches to improving and strengthening the All-Volunteer military force through educational assistance programs, nor do we object to the VA administering such programs, so long as the Department of Defense bears the responsibility of the cost of all entitlements for all the programs established by any legislation that this committee brings forth.

That, basically, is our position. I would be happy to answer any questions you might have, sir.

[The prepared statement of Mr. Edmiston appears on p. 141.]

Mr. EDGAR. Let me just see if I can clarify your concern about H.R. 1400. If you were to sum it up in one sentence, what would it be?

Mr. EDMISTON. Our concern would be the funding, simply that. As you are well aware, we are faced with some serious questions regarding the VA's budget for fiscal 1981 and 1982 and the future, and with the new program of vocational rehabilitation for service-connected disabled veterans in serious jeopardy, we feel that the funding for H.R. 1400 should either be from DOD or some realinement in terms of the Department of Education and the exhorbitant amount of funds used by that agency.

Mr. EDGAR. If we could take some part of the $4.8 billion that is already being provided and make it a service component, the present $4.8 billion that's being provided with BOG grants and other civilian education grant programs, if we targeted some of that to cover the cost of a recruitment and retention incentive and protected that from being in any way an impact on services to your association, would you tend to lift your reservations?

Mr. EDMISTON. Yes; we could lift our reservations if that were the case.

Mr. EDGAR. Thank you. I have no further questions, and I appreciate your testimony this morning.

The committee will stand adjourned in a moment. I would like to say that the testimony of the Paralyzed Veterans of America will be made a part of the record in total.[1] All of the statements that were brought by the witnesses today will be made a part of the official record of this hearing.

I draw everyone's attention to the fact that tomorrow we have our final day of hearings here in Washington, and we have a lot of witnesses who are going to come and focus on this issue, and we are going to try to move as quickly through those witnesses as possible, but giving everyone an ample opportunity to get their point of view across.

I think today's hearings were helpful, and I appreciate the patience of everyone who came and participated. Thank you very much. The committee stands adjourned until tomorrow morning.

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[1] See p. 144.

H.R. 1400—VETERANS' EDUCATIONAL ASSISTANCE ACT OF 1981

WEDNESDAY, MARCH 25, 1981

House of Representatives,
Subcommittee on Education, Training and Employment
of the Veterans' Affairs Committee,
Washington, D. C.

The subcommittee met, pursuant to notice, at 9:02 a.m., in room 334, Cannon House Office Building, Hon. Bob Edgar, chairman, presiding.

Members present; Representatives Montgomery (ex officio), Edgar, Boner, Heckler, Sawyer, Jeffries, and Denny Smith.

Mr. **Edgar**. The Committee on Education, Training and Employment will be in order. Today we complete 4 days of hearings here in Washington on H.R. 1400. Tuesday of last week we had a good opportunity to talk with some of the top-ranking officers of the armed services and on Thursday of last week we had a chance to talk with the civilian side of the Department of Defense.

Yesterday we had indepth hearings reviewing the personnel problems of the Reserve and National Guard as it relates to H.R. 1400. Today we complete our fourth day here in Washington, talking to witnesses in the educational community as well as veterans service organizations.

I might add that the hearings to date have been very helpful, but we are also looking forward to 2 days of hearings; one beginning on April 6 and the next on April 24. The first field hearings will be in Norfolk, Va., the second field hearing in Boston, Mass. Both will focus on the issue of GI educational benefits, recruitment, and retention.

In the field we will be able to hear specifically from those who would be served by this legislation, as to its impact on recruitment and retention. I might add it is my intention, as subcommittee chairman, to try and proceed in a timely fashion with this legislation, which means that markup will occur sometime near the end of April or the first of May in order to meet the May 15 deadline.

There may be some issues that will be raised by the other body or by the leadership in the House, but that is the way in which we would like to proceed.

One footnote to today's hearings—we do have a large number of witnesses today. I would like everyone to know that we have covered a lot of the basic ground of what is in H.R. 1400, as well as what is in many of the bills which deal with education, training, and employment.

I would hope that most of our witnesses would be able to summarize their testimony. Their full testimony will be made a part of the official record. Second, my hope is that we can proceed in a rational fashion, through the witnesses, without jeopardizing the kind of information that they can share with us.

If we are not finished by 12 noon, it will be the intention of the chair to adjourn the hearing at that point, and reconvene at 2 p.m.

It is my pleasure today to welcome to our committee our first witness, the Honorable Duncan Hunter. Congressman Hunter, I understand, has had extensive discussions in his area on the issue of military retention and recruitment, as well as some issues relating to the bills that are before us now.

We appreciate your taking the time to be with us this morning. We look forward to hearing your testimony. You can proceed as you see fit. Your full statement will be made a part of the record,[1] and we would like some time for questions.

STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. HUNTER. Thank you, Mr. Chairman. Good morning, Mr. Chairman and my colleagues. I am going to submit a short statement for the record and speak extemporaneously, if I may, concerning the results of the recent GI bill forum that was held in San Diego on March 21, this last weekend. The forum was sponsored by the Fleet Reserve Association, and was a very thorough presentation.

I had on the panel myself, Dr. Glen Beardmore, Dr. Pat Watson, Bob Emmeriehs of the House Armed Services Committee and Robert Nolan, the Executive Secretary of the Fleet Reserve Association. I might add, by way of introduction, that I am a member of the House Armed Services Committee, and particularly interested in the GI bill, and am a former member of the Army myself. I was a Vietnam veteran, and, in fact, went to law school under the GI bill.

We had 39 witnesses; 24 of them were Navy, 12 Marine, 2 Coast Guard, and 1 Army. We had a spectrum of enlisted people E-4 through E-9. I might add that the Fleet Reserve Association made the hearing well known ahead of time, and the input we received from these enlisted people were not only their own opinions, but, in fact, were the result of many bull sessions and skull sessions that they had in their units, and in some cases, was a result of balloting on various provisions that are suggested in the various GI bills.

I am going to make it short and sweet and go to the point that we brought out, the main provisions we talked about, and the provisions that the enlisted people thought were important. No.1, it was felt very strongly by everybody that there is a need for a new GI bill.

Along with that, it was brought out very strongly that the old voluntary program, the VEAP program, if you will, has failed miserably. This was hammered home again and again by the enlisted people, who were affected by the VEAP, or participated in the VEAP, and also by the recruiting NCO's who were involved in active recruitment.

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[1] See p. 145.

The figure never got above 6 percent, when they were asked to tell us how many of their eligible people were actually involved in the voluntary program. It hasn't worked. The contributory factor is particularly deleterious to it, in my estimation and the estimation of these young people, because people, especially enlisted people, have a tremendous problem just making ends meet right now, and they don't have any money to sock away for this voluntary program.

So we do need a GI bill. I have a number of statements that are going to be submitted for the record in quotes from these enlisted people to that affect.[1]

Mr. EDGAR. Without objection all of your statements, all the material from that conference that you would like to share for the record would be very helpful.

Mr. HUNTER. Excellent. We'll be submitting also critiques and ballots that we received on that day. The second, the provision which was probably the most exciting to the enlisted people was this prospect of transferability. Almost to a man and a woman, they thought it was a tremendous provision, and a lot of people thought that this would be an instrument to trim the GI bill really from a tool for attracting people into the service, into a tool that would also tend to increase retention.

The one division of opinion went to whether or not the transferability should go to children only, or to children and spouses. It was somewhat interesting that the younger enlisted people tended to like the idea of having transferability to spouses.

They liked the idea of their wives going to college while they were in the service. Perhaps they had a few more stars in their eyes than some of the older NCO's. The older NCO's tended to want to restrict the transferability provision to children only, and I would say that probably the majority of the people who testified did want to have transferability based on the choice of the individual.

In other words, if you counted noses, the vote would probably come out that the transferability to children and spouses is desirable, but again I want to remind the committee that this perhaps would cause a lot of problems, especially if we had community property States involved, if we had dissolutions in the middle of, for example, a wife going to a university or college. This was one point of contention, but transferability was very exciting for everybody. They thought that was a great prospect. I think we had only one person who said that he didn't like transferability, because he stated that he wanted to have his children motivated to join the service so that they, too, could get a GI bill.

He didn't want to have transferability, but he was only one person in the whole seminar. One other thing that was felt very strongly by the enlisted people was that there should be the requirement of an honorable discharge. There was quite a bit of bitterness over what people had felt had been abuses of the GI bill in the past, when people who had gotten out of the Army or service for other than honorable reasons, had received the same educational benefits as people who had served their country well.

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[1] See p. 146.

This was a very strong point that was made by the enlisted people. Most of them wanted to have, as a requirement, not only that the person was honorably discharged, but that he was recommended for reenlistment, because according to the input we received, there was a feeling that a number of people are discharged when they are not doing a good job.

They don't receive dishonorable discharges, but their services are no longer desired by the armed services. They didn't feel these people should receive the benefits of the GI education. They were very strong on either honorable discharge or that the personnel should be recommended for reenlistment. If they didn't fit that category they would not receive the GI bill. The one exception was if they had been disabled while in the service.

There is one other strong point that was made and that was that most people felt there should be no disparity of treatment, based on criticality of skill, whether this involved transferability or the amount of benefits, transferred or allowed to the service member.

The feeling was that it takes an entire crew to man a ship, for example, or to run a unit. It doesn't make any difference if you're a fire control technician or the guy that paints the ship. There should be an even treatment, and there should be no disparate treatment under the GI bill, based on criticality of skill.

That point was strongly made. As far as whether the benefits should be administered by DOD or VA, there were really no strong conclusions either way.

One other thing was very strongly mentioned, and was mentioned especially by the recruiters. This doesn't relate to this particular bill, but it rather relates to the December 31, 1989, cutoff date for present military benefits.

For example, reenlistment NCO at North Island stated that of his most recent 201 people that had left the service, who are eligible for reenlistment, over 30 percent of them stated that they were not staying in because they felt they had to get out, to use that GI bill that they had right now under the Vietnam era, before the 1989 cutoff date.

So it is affecting retention at this very minute, and if there was one point that was driven home by all of the NCO's involved in recruiting and retention, it was that we have got to eliminate that December 31, 1989 cut-off date.

These are, in a nutshell, the strong points that were brought out by this forum, and I am open for any questions you might have on this. Incidentally, Bob Nolan, who is the Executive Secretary of Fleet Reserve, is also present, and he is going to make several comments about the forum.

Mr. Edgar. Thank you very much. The forum which you described seems to me to fit in with exactly the kind of field hearings that we plan to have in Virginia and Massachussetts.

What was the germ for putting that particular forum together?

Mr. Hunter. I think that I discussed it with Bob Wilson, former ranking member of the Armed Services Committee. We had participated in a white hat pay panel that had been sponsored by the Fleet Reserve Association in San Diego. We had heard much in the House Armed Services Committee regarding a GI bill, and I was somewhat disturbed by the fact that some of the civilians in the

Department of Defense didn't seem to be particularly enamored with the idea of having a GI bill. There also was some talk about whether the VEAP program was, in fact, satisfactory and was doing the job.

So I thought it was just a good idea to get out and find out what the service people wanted to see in the GI bill. They're very excited about it, because they've read quite a bit about it now in the media. Most enlisted people in the country are aware of the fact that there are GI bills which are before the House, which, for example, have some new provisions in them, like transferability. They're very interested.

Mr. EDGAR. I was quite interested in the fact that, as we went across all the witnesses on the first day of hearings and yesterday of those who were military personnel, with the exception of one individual who had some hesitancy, everyone to a person, supported the reenactment of the GI bill for recruitment and retention purposes.

There was some concern from the civilian side to wait for the tests to be completed or to suggest that VEAP program had not failed, and that maybe the contributory program would succeed. I tend to agree with you that (*a*) we needed a new GI bill, (*b*) that the VEAP program has failed, and has not been a sufficient force for recruitment and retention, and (*c*) that the transferability section of the legislation is helpful. Of course we will have to raise the tough questions of whether transferability is for children and spouses, and whether or not we can move to a transferability that is only directed toward critical skills or directed to all of the service.

Those questions we have to answer, but I generally support the kind of direction that you're taking as opposed to the direction of some of the civilian side of the Department of Defense. What are the committees of Congress that you serve on?

Mr. HUNTER. Just the Armed Services, and I serve on the Personnel and Compensation Subcommittee and Procurement Military Systems Subcommittee. I might mention one thing that I thought was very interesting. We had several recruiting sergeants there. I think there was one from the Navy and one from the Marine Corps, particularly, who mentioned that the month that the old GI bill was terminated, that was December of 1976, their enlistment rate went up fourfold in that last month. That was the last month to get in under the old GI bill.

Of course, in January, the rate dropped off tremendously. I think that that is evidence that shows us in what regard the public holds the GI bill. It was definitely an incentive to join the service.

Mr. EDGAR. We're going to need your help to bring this bill to the House floor and have it carefully placed on the President's desk. We're going to need your help in fine tuning the legislation as it proceeds through the committee, and also your help in working with the Armed Services Committee. In this day of budget cutting, new programs are looked upon with a great deal of criticism. We are going to need the help of someone of your stature who has had the experience of the field hearings you conducted and has some sensitivity toward the GI, out in the field. It will be very helpful to have your words on the House floor and your support among your colleagues, many of whom, I believe, on the Armed Services Committee would prefer to go back to a draft system as opposed to fine tuning the All-Volunteer Army.

We believe that an educational incentive coupled with the pay incentives that we put in place last year are the appropriate tools to use at this time in history, given the political situation of returning to a draft.

I might indicate to you that in the past several days we have had several effective witnesses, including Senator Warner, Senator Armstrong, and the Joint Chiefs of Staff, but we have had more press coverage and photographers and TV coverage for your testimony than any of the other witnesses. I think that says something of your quality of service.

Mr. HUNTER. Thank you.

Mr. EDGAR. I yield to my colleague, Mr. Sawyer.

Mr. SAWYER. Yes, thank you for coming, Duncan. I appreciate it very much. Just a couple of questions. How do you feel about the ability to avoid having to have a draft, with or without the GI bill?

Mr. HUNTER. I think that if we have the GI bill, I think that we can do it. I think that right now we're 22,000 skilled senior petty officers short in the Navy, we have comparative shortages in the Air Force, and in the Army we have greater shortages.

I know that enlistment and retention is on the rise at this point, and there is a lot of speculation as to why. Some people say the economy, and some people talk about the world situation, the Iran situation, et cetera. I think we could get by without a draft if we have a GI bill. I think we could do it.

Mr. SAWYER. I notice, at least from your summary, this H.R. 2399 that you've introduced, which has some considerable similarity to H.R. 1400, which we're looking at originally, does not have any Reserve alternatives in it. Is that factual—I haven't seen the bill, itself. I just saw your statement.

Mr. HUNTER. No, we have provisions for Reserve personnel receiving, basically, half the educational benefits per time served as active duty people.

Mr. SAWYER. Then it is, in fact, very similar to H.R. 1400.

Mr. HUNTER. Yes, I think there are a few differences. I believe that H.R. 1400 has some disparity of treatment based on criticality of skills. I think that the transferability, as I recall the transferability provision, is based on whether or not the personnel are in critical skills, and I think mine is across the board.

I think we have a different time basis. I believe mine is 10 years before transferability, and I think H.R. 1400 is 8.

Mr. SAWYER. Now the amounts are a little different, too. You have $300 and $600 instead of $250 and $550, but the pattern is substantially the same, or is there some particular facet that you wanted to point out that was different?

Mr. HUNTER. No, they're basically the same. I think that one other point that was stressed at this forum by the enlisted people was that they'd like to see the GI bill kept very simple, except for the new aspect, as much as possible like the Vietnam GI bill.

In other words, something that is easily understandable. The point was made that when an American family sits down and talks about going in the service, usually it is a young man or young lady sitting down with their family at the breakfast table and talking about the GI bill. When it's retention—a person who has been in a while, sits down and talks about it with his wife, so they'll be able to know exactly what they're getting.

They won't, for example, get in and find out that they didn't meet a certain condition or provision, and they're only going to get *x* amount of dollars, instead of what they thought they were going to get. Simplicity was something that was stressed.

In fact, I think that my bill should be a little simpler, and we're going to work on that. Basically, the only new, really new aspect of any of the bills is the transferability portion.

Mr. SAWYER. Thank you. I yield back, Mr. Chairman.

Mr. SMITH. Duncan, it is a pleasure to have you here today.

Mr. HUNTER. Thanks, Denny.

Mr. SMITH. Tell me, you were in the service? You were in the Navy, right?

Mr. HUNTER. No, I was in the Army.

Mr. SMITH. Why did you get out?

Mr. HUNTER. I got out of the Army the day I got back from Vietnam. I went into the service to go to Vietnam, and when I got out I was just a couple of weeks short of my 3-year tour.

Mr. SMITH. Did you ever consider making it a career?

Mr. HUNTER. No, I didn't. I was in the infantry, and I was in the 173rd Airborne Brigade, and it is very tough for the infantry to be interesting in peacetime, because you don't have skills such as you have in——

Mr. SMITH. Very tough for the infantry to be interesting in wartime, too, but——

Mr. HUNTER. Time passes very quickly. Seriously, you're down at Fort Bragg going on police calls. If you're in an airborne outfit you get to make a few jumps. It is not a lot of fun to continue to play war maneuvers and things like that.

Mr. SMITH. Not trying to put you on the spot necessarily, but just trying to——

Mr. HUNTER. One reason I got out was to use the GI bill, let me put it that way.

Mr. SMITH. OK.

Mr. HUNTER. That was the main reason I got out, and I went to law school on the GI bill.

Mr. SMITH. Would you have considered staying in 8 years to get the GI bill?

Mr. HUNTER. Possibly, not that factor alone, but I think that would have been a big factor, especially if I would have had children at the time, and had the possibility of transferring the benefits to my children, and allowing them to use them while I stayed in the service, but that is the one thing that must be remembered about the old GI bill.

It was great for getting that serviceman's foot in the door, and it was also a motivation for him to leave, because he wanted to get out and go to school, go to college.

Mr. SMITH. I guess that I agree with you on the cutoff date. It has to be moved or some way to be able to utilize the benefit that they're supposedly getting out there in front, but I am just a little concerned about whether we're really going to get people in on a long-term basis on a GI bill and what the costs are going to be. The transferability to the spouse, I think, is a real dynamite question.

What happens when the divorce occurs after we've used up three-quarters or half of the entitlement, and then suddenly the guy wants it back. By golly, you know, I was the one that earned it, so you've got some problems there, that we've really got to solve one way or another.

I do appreciate your being here, and am interested in what your survey showed out there. Thank you, Mr. Chairman.

Mr. **Hunter**. My pleasure.

Mr. **Edgar**. One final question before you leave. This particular bill, H.R. 1400, which is the basis for our primary hearing and other similar bills before the Congress, are jointly referred to the Armed Services Committee and to the specific subcommittee on which you sit.

If we are going to move this legislation in a timely fashion, we are going to have to have some response from your subcommittee and from the Armed Services Committee. Would it be possible for you to keep in touch with our staff to let us know what the intention of the Armed Services Committee is going to be in this matter?

Mr. **Hunter**. Certainly, we'll do that.

Mr. **Edgar**. I appreciate that. Thank you very much. Thank you for your testimony today. We appreciate your taking the time.

Mr. **Hunter**. My pleasure.

[The prepared statement of Congressman Hunter appears on p. 145.]

Mr. **Edgar**. Our next witness this morning, Dr. Charles C. Moskos, is a professor of sociology at Northwestern University. He is a leading expert on military manpower issues, and has spent much of the time with service members in operation units.

His publications include "The American Enlisted Man," "Public Opinion and the Military Establishment," and "Serving the All-Volunteer Force." Dr. Moskos is currently a fellow at the Woodrow Wilson International Center for Scholars. He served as a draftee in the Army Combat Engineers.

Dr. Moskos, we're very grateful to you for taking the time to come, here today as well as to share the factual data within your statement. We look forward to hearing your summarized statement, and we also look forward to an opportunity to question you on some of the data that is in your report.

Welcome to the committee, and you may proceed.

STATEMENT OF DR. CHARLES C. MOSKOS, PROFESSOR OF SOCIOLOGY, NORTHWESTERN UNIVERSITY, EVANSTON, ILL.

Dr. **Moskos**. Thank you, Mr. Chairman. I do have the somewhat longer statement, which I would like to submit for the record.[1]

Mr. **Edgar**. Without objection, it will be considered as part of the record.

Dr. **Moskos**. I would like to summarize some of the highlights for a moment. I might add that when I first advocated the GI bill several years ago, I felt like John the Baptist. Now, however, when

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[1] See p. 146.

I try to make sense out of these various proposals, I sometimes feel I am toiling in the tower of Babel.

These are very complicated issues, and there are many choices before us. It must be kept clear what a GI bill can and cannot do. Recruitment is the purpose of a GI bill, that is, to attract a cross-section of youth to serve in the military. To put it another way, we can think of a GI bill as recruiting the analog of a peacetime draftee or draft-motivated volunteer in the All-Volunteer Force.

A GI bill cannot simultaneously serve the purposes of both recruitment and retention. These two goals have to be separated, unless we are to end up with a convoluted bill that serves neither purpose. I think it would clarify matters to think of an All-Volunteer Force GI bill as the functional equivalent of the draft or of conscription.

Even if we did have a draft, we would have to deal with retention problems on their own terms, mainly by well-constructed packages of compensation and entitlement for the career force.

Two principles should always be kept in mind when appraising recruitment and retention proposals. First, for recruitment purposes, provisions must be kept as simple as possible. I think this is important for the recruiters sake, as much as it is for the recruits. One of the problems with VEAP, for example, is that the recruiters get confused when trying to explain it, as do also some of the people who are trying to push it in the Department of Defense. On the other hand, reenlistment incentives can be complicated to a great degree with many choices. One will never go wrong overestimating the grasp that career service members have of the compensation package. A GI bill to serve recruitment must contain at least the following provisions: a tuition component, a benefit for 2-year enlistments, and an eligibility standard limited to those who have completed an honorable term of service. H. R. 1400, by the way, has the merit of adding a Reserve obligation following completion of a 2-year active duty tour.

If one assumes a relatively generous GI bill, one must also assume certain countervailing reductions in net costs.I think it is important to stress that the evidence is quite clear that a high school graduate is twice as likely to complete his or her enlistment as a high school dropout. I might also add that blacks entering the All-Volunteer Army in recent years have had higher educational levels than that of entering whites.

If attrition alone were cut in half, and GAO estimates each attrition case costs $12,000, we would have a savings of an excess of $600 million annually in that category alone. There would be savings and less time lost for unauthorized absences and desertions; for reductions or elimination of combat arms enlistment bonuses; and, most likely, fewer ranking servicemen with families.

With these and other savings, I believe the cost of a general GI bill, including the tuition component, would be less than $400 million annually, and probably substantially below that. The fact is, the first 2 years of a GI program would cost nothing. We would have tremendous manpower savings for the first 2 years, at least with regard to the Defense budget.

One argument raised against the GI bill is that it is not cost effective. Enlistment bonuses and higher recruit pay, which is the

OSD preferred model, only aggravates the present tendency to recruit at the margin. Enlistment bonuses crassly emphasize the cash-work nexus, which defines the military as an occupation. A GI bill recognizes past service, and carries with it the positive symbolism of one of America's most successful social programs. Another problem with higher recruit pay is that it compounds pay compression within the enlisted ranks; it lessens the distinction between a recruit and a sergeant or major. That corrodes the status of the NCO corps.

Most important, youth surveys and surveys of college students, both at Northwestern University and at Morgan State University, conducted by my colleague, Richard Hope, who is in this room, show that GI bill type incentives have a greater attraction for college undergraduates than do either bonuses or a higher recruit pay.

It has been argued that a GI bill will hurt retention. We must note that career retention problems have become aggravated since the end of the Vietnam era of the GI bill, not reduced.

There is also some evidence that a number of those who would not join the service, were it not for a GI bill, will, themselves, eventually enter the career force. For example, about 15 to 20 percent of draftees during the peacetime pre-Vietnam era actually became regulars, and many of these make up our senior NCO corps today.

Special career provisions with regard to educational benefits in conjunction with, not a part of a GI bill, would complement, not undermine retention incentives. By no means, however, do educational benefits define incentives necessary to retain the required career force.

I also want to stress that any GI bill will confront the staggering competition of present Federal aid to college students, over $5 billion annually. In effect, we have a GI bill today but we don't have a GI. In the long run, a modest, national service obligation ought to become a requirement for Federal student aid to college students, but the immediate task is not to pass some inadequate and Rube Goldberg educational package, call it a GI bill, and then say we've done all we can for the All-Volunteer Force.

The top priority for military recruitment must be a comprehensive and simple GI bill. A GI bill is not a cure-all for what ails the All-Volunteer Force, but it is a necessary step in the right direction. I think the choice is coming down to a good-faith GI bill or return to the draft.

Thank you, Mr. Chairman.

Mr. EDGAR. Thank you very much for that concise summary of your statement. I would commend to my colleagues on the Committee, the total statement, because I think particularly with your chart on page 10 and several of the other background materials within the larger statement, it backs up much of what you have said.

Based on the utilization rates you used to cost the benefit levels you described on page 2 of your testimony, do you consider the projected costs of H.R. 1400 to be accurate?

Dr. MOSKOS. H.R. 1400, of course, does not contain a tuition component, and I believe the figure that you costed out came to between $600 and $700 million. My cost estimates, with a tuition component, comes closer to $1.2 billion. I would think that within that framework the cost analysis of H.R. 1400 is quite within the right range.

A GI bill without a tuition component, naturally, it would be less than one with a tuition component.

Mr. **Edgar**. Would you describe the desirability of having a tuition component, and also reflect for a moment on whether or not there should be any kind of regional differentiation in the benefits provided?

Dr. **Moskos**. We know that in the previous Vietnam era and Korean era bills, there was no tuition component. There was a tuition component in the World War II GI bill. I think the difficulty here is that flexibility on the one side is complication on the other.

I think the tuition component, somewhere along the lines of the Armstrong-Bennett bills are steps in the right direction. These bills propose tuition components in the range of $2,500 or $3,000 per annum.

One might consider a different tuition rate between those who go to private schools and those who go to State colleges or universities. This might be a little more cost effective, but it would again create more complications in implementation.

In balance, however, most regional differences, I think, would not be that important. Junior colleges and State colleges roughly have the same tuition. Private colleges, in whatever region, roughly have the same tuition.

Mr. **Edgar**. Thank you. Do you feel that offering educational benefits only to high school graduates is an effective way to raise the quality of military personnel?

Dr. **Moskos**. This is an element of H.R. 1400 I am not convinced serves any good purpose. Presumably those who will go on to use a GI bill will be high school graduates anyway. Therefore, by restricting it initially to high school graduates is a kind of overkill. I am not too sure which metaphor I want to grope for here. More important, by limiting a GI bill to high school graduates, you're going to hurt the recruiter in other ways. One of the reasons the current VEAP experiment is not working out is that it has a requirement of eligibility limited to a high school graduate coupled with a category 3A or above mental score.

This means that a recruiter is afraid to mention the educational package to somebody who might not be eligible for it, lest he lose a potential recruit. I think by placing a high school diploma requirement, you're going to handicap recruiters greatly.

A purpose of a GI bill is to attract a cross-section of youths, but at the same time its purpose is not to exclude other youths who can be perfectly good soldiers.

Mr. **Edgar**. So you're basically saying that it is not necessary to have a high school requirement in the legislation, because those who would use the benefit would have to have a high school diploma in order to go to college or junior college.

Dr. **Moskos**. It would seem that in 95 percent of the cases that would be the situation. College freshmen would have a high school diploma, so it would seem redundant to me, as well as having the negative effect of handcuffing the recruiter.

Mr. EDGAR. H.R. 1400 calls for a basic monthly benefit of $250. Do you consider this benefit level to be a valid inducement to join the military?

Dr. MOSKOS. No. Without a tuition component it is not sufficient. I am afraid we are going to move into an inadequate GI bill, claim it doesn't work, and then we will go back to the draft. With a tuition component, there would be a sufficient attraction.

We must remember that many students today are eligible for loan subsidies and Pell grants, the new parent's loan. These are students who do not perform any form of national service. The average student aid is about $2,500 a year.

How can we offer a GI $250 a month, when he can get the same on the outside without doing anything for it. Any GI bill has to be put in the context of the competition of other Federal grant loan programs.

Mr. EDGAR. So you're speaking in pre-David Stockman time frame when you talk about what exists presently.

Dr. MOSKOS. Well, there are trends on both sides. Even the Stockman proposals only refer to cutting it back from $5 billion to $4 billion, and that by no means is assured. The new parent's loan, which started this January, now offers a parent $3,000 at 9 percent interest for each college student, which is to pay tuition.

It is essentially a tuition loan. There is even talk of tax credit for tuition to colleges. So how this will eventually work its way out is to be determined. Even under the most grim scenario for the educational loan and benefit program, you are going to have a staggering sum in competition with any GI bill.

It seems perverse to set up a system which rewards people who do not serve their country more than those who do.

Mr. EDGAR. I have additional questions to ask, but I am going to yield to my colleagues and return on the second round. I yield to my colleague, Mr. Jeffries.

Dr. MOSKOS. The student default rate, of course, is also a tremendous drain on our budget. Some people are getting away with something three times. They don't serve their country; they take out a loan; and third, they don't pay it back.

This is the kind of system I think we want to avoid. By a modest national service program, I was referring to something like unpaid service for 3 to 6 months on a decentralized basis, no heavy bureaucracy. This would make one eligible for a loan or even a straight grant. Perhaps one could even think of a system where all this turns into grants, rather than into loans.

You accurately point out that there is a tremendous problem on the default of loans. The beauty of the GI bill is that you are really rewarding somebody for past service, and at that same time as H.R. 1400 includes, you would also be performing Reserve duty as well.

It is really a scandal when you think about it. We have so shortchanged our active duty service men and women, and at the same time have created this gigantic Federal loan and grant program for those who do not serve.

Mr. JEFFRIES. I agree with you on that. No more questions.

Mr. EDGAR. Thank you. My colleague from Tennessee, Mr. Boner.

Mr. BONER. Dr. Moskos, thank you for your testimony. I would like to ask a question that is related to your expertise in regard to our volunteer military source. Do you feel that our voluntary military service is presently working to meet our defense needs?

Mr. MOSKOS. The general and broad answer, sir, is probably not. I would give it a "C-plus" if I may revert to an academic role, and what we really want is an "A", All-Volunteer Force. Now it varies between officers and enlisted. It varies between services as well.

But I think the core problem, at least with the recruitment level, is that we're no longer attracting a cross-section of our youth into our ranks. We will never do that even with the draft, but we at least should aim for that kind of goal.

Mr. BONER. You indicated we are no longer attracting a cross-section of our youth. What segment of our youth population is being attracted?

Dr. MOSKOS. Well, if we look at the Army, the largest of the services and the one that most directly felt the impact of the draft, we are now attracting about 50 percent high school dropouts.

Among recruits, blacks are more likely to have high school diplomas than are whites. In broad terms, we are getting a kind of middle section of the black community into the enlisted ranks, and a somewhat lower cut of the white community.

The issue is not only attracting a proportionate number of high school graduates, but also a number of college people. The college graduate has practically disappeared in the enlisted ranks. We are talking about a force that is not very representative.

One of the outcomes, too, of the GI bill will be that many people will probably elect to return to active duty service after using a GI bill, perhaps at the NCO levels or at the officer level.

Mr. BONER. In your opinion is the ultimate action that this Nation will have to take a return to the draft?

Dr. MOSKOS. I believe, as a former draftee, and one who views the draft as a moral good, that the draft is not necessary at this time. An All-Volunteer Force—GI bill is functionally equivalent to the draft. There is no kind of equitable draft system that can work if you are only going to draft, say, one out of every four or five men, as would occur under present manpower requirements.

If women were to be drafted we would have yet another complication. By definition, we are going to have people defined as unlucky. One reason the draft worked in the pre-Vietnam period, especially in the late 1950's and early 1960's was that there was a small cohort of youth. That meant people of my generation considered it normal to be drafted. The fundamental objection to a peacetime draft is that only one out of five males will be drafted.

If we can make an All-Volunteer Force work, we can have our cake and eat it too.

Mr. BONER. The optional approach to this point is to try all the incentive methods to encourage the cross-section of the segment of our population to join the military. If we, during the course of this year, are able to pass all of the legislation that we hope will provide these incentives, how long do you think that it will be before we know whether our efforts have been successful?

Dr. MOSKOS. Certainly, I don't think we can wait much longer. I believe the OSD's policy experimenting with and tinkering with VEAP, is foolishness. I don't think we need more of the same kind of therapy we've already had, which is recruiting at the margin or more enlistment bonuses. The next thing is that OSD will come up with enlistment bonuses as a panacea to the All-Volunteer Force. If a GI bill could be implemented within the normal course of events by next fall, I think we should see the results almost immediately.

If, at the same time, we could talk about a national service obligation with regard to Federal grants and loans to college students, the effect would be even that much more rapid.

I think that an All-Volunteer Force GI Bill, by itself, will probably do the trick. If you linked national service obligations to all other forms of Federal educational help, then I am sure.

Mr. BONER. I have one other question concerning the draft. Has anyone stopped to consider that perhaps the attitude of our young people today is one where they simply do not want to voluntarily subject themselves to the regimentation that one would have to subject themselves to when they join the military? If that has been addressed, and if that is a major factor, how are you going to get around that particular obstacle?

Dr. MOSKOS. We can't answer that with absolute finality because we've programed a system to discourage volunteering. If we could at least operate in a neutral way, we'd find out to what degree a volunteer ethic does or does not exist.

By having these grants and loans given to people who do not serve, we have a program of assistance which discourages volunteering. My appraisal of the youth population, at least at the undergraduate college level, is that it is in an ambivalent state.

Youth today is no longer hostile to military service. It is no longer willing to castigate it, but is not yet willing to step forward and do it, itself. The data collected at Morgan State University and Northwestern do show, however, that when you do offer GI bill type incentives, you will get a higher volunteer rate than at some extraordinary salary like $2,500 a month.

In other words what we're trying to do with the GI bill is leapfrog into a youth population that heretofore has not been turned on to join the service. This also is going to require Congressional leadership and Presidential leadership.

The fact is, nobody at the highest levels of our country has ever said that "we want a cross-section of youth to serve in our country". That is the first step that has to be taken. "We want a cross-section". If we don't say that, how do we expect them to join? I believe, by the way, that there will be a sufficient number to make this All-Volunteer Force work quite well.

Mr. BONER. Thank you.

Mr. EDGAR. I yield to the gentleman from Michigan.

Mr. SAWYER. You think that we should have a tuition component, at least at the levels we're talking about. Do you have any specific figure in mind that you think would be appropriate as a tuition component?

Dr. **Moskos**. Sir, just for keeping the numbers simple, I always thought in terms of $2,500 tuition and $250 a month stipend, or $3000 a year tuition and $300 a month stipend.

Let's take the $2500 tuition figure, that would pay about half the price for most private universities today, and it would be about the rate for out-of state tuition at a public institution. It would be somewhat more than in-state residents for most public institutions.

That is the figure that I have used here, because I think it is significant enough that people will think of a GI bill as tuition plus. People do not want to think of a GI bill solely as a stipend or a monthly cash allowance. We must have that tuition component to really leap into this other group we're talking about, and at the same time, get those very cost savings that I mentioned in my remarks. We want youth who are not going to become attrition cases. By and large, they're going to be single and upwardly mobile, people of that sort. They are not likely to go AWOL or desert.

When we consider those Federal loans and grants, we are starting off $2,500 behind to begin with.

Then you have to start building it up from that point, the $2,500, $3,000 figure seems appropriate. That, by the way, is much less than the World War II GI bill, which paid full tuition, books, and at some points, even supplies.

Mr. **Sawyer**. Thank you.

Mr. **Edgar**. Dr. Moskos, you've mentioned, as have others, that high school graduates are more likely to complete enlistments than are high school dropouts. I notice from your testimony that cutting the attrition rates in half would result in manpower savings in excess of $600 million.

In costing H.R. 1400, the Congressional Budget 0ffice estimated that our legislation would cost almost the same amount, $666 million in fiscal 1986. Would you please explain this cost-saving analysis further for the committee?

Dr. **Moskos**. Certainly. The category of attrition is the most clear-cut one, because it is the one that has been best measured. A person finishes or doesn't finish. If you put a separation or discharge qualification for GI bill eligibility, such as H.R. 1400 does, that means that nobody will be able to get a GI bill unless he or she completes their service successfully.

So, a GI bill would follow successful service. Attrition today is estimated at about 30 to 35 percent of all entering service members. That is a tremendous number. It is even higher than it appears because it occurs mostly in the combat arms and the low-skilled jobs. In these levels we're talking about attrition rates of about 50 percent. These would be the very areas where 2-year GI bill enlistees would be most likely to be assigned. I would imagine that attrition would drop even further than the assumptions that I have made here, but you figure that approximately 120,000 people a year are discharged prematurely from the service for job inaptitude, indiscipline, quitting, getting fired, what have you. If this is just cut back by half, there are savings of $600 million, which is close to the sum of H.R. 1400.

If we get a tuition component into the GI bill, presumably we would be attracting into another broader pool of upwardly mobile or middle-class youth. One would expect attrition rates to really plummet. We don't know what the attrition rate was for the old peacetime draftee, but we estimate it at about 10 to 15 percent, about a third of what the current attrition is.

I might add that, along with financial costs, there are also tremendous organizational costs for attrition. It isn't just money. If you are having a service that is turning over one-third of its people prematurely each tour, you are talking about effects on efficiency and mission performance.

There is also data that shows that those most likely to go AWOL or desert are likely to be from the high school dropout population. There are also figures that estimate that it costs recruiters between $2,000 to $4,000 extra to recruit a high school graduate, category 3-A and above. It is also true that many of these youth that we are now recruiting tend to get married very young, which adds other costs, organizationally as well as financially to the military system.

If you add up all these kinds of savings, I think it is possible that we would actually break even. I have even proposed in another context that we could set up a lower pay track for 2-year enlistment with a generous GI bill, because the data showed that middle class kids are not going to be attracted by extra pay in any event.

We can increase recruit pay by 25 percent, and we will still not go into a different kind of pool. The GI will do that. Enlistment bonuses, which is the OSD's preference, are not that cost-effective, because if the bonus is given first, and a soldier becomes an attrition case, there is no practical way of recovering the bonus. The money is gone. The GI bill rewards for past service. It isn't money up front.

Mr. EDGAR. In an article on how to save the All-Volunteer Force in "Public Interest" in the fall of 1980, you made some very helpful comments about economics and the All-Volunteer Force. Let me just quote a couple of lines from that particular article.

You say,

> Ultimately the problem of the All-Volunteer Force are not explained by the end of conscription, nor the declining youth cohort of 1980's, nor failure of service recruiters, who have accomplished a task of immense proportions. The crucial flaw has been a redefinition of military service in overly econometric concepts and models. The redefining process was given powerful expression by the 1970 President's Commission on the All-Volunteer Force, the Gate's Commission. It is a theme that recurs in officially sponsored assessments of the All-Volunteer Force. This is contributed to moving the American military away from an institutional format to one more and more resembling that of an occupation. It has led to ignoring or glossing over the difficulties of an All-Volunteer Force, that an All-Volunteer Force has confronted since its inception.

Then I will underscore these words,

> The main fault stems from the economist's assumption that the Armed Forces are just another part of the labor market, and from an unwillingness to grasp the essential distinction between military service and civilian occupations. It is this faulty, theoretical underpinning, not the end of conscription, that has brought the American military to its present plight.

Do you still hold those comments to be true, and do you have any comments you would like to add?

Dr. MOSKOS. I still hold that view. This has been a dominant mind-set, and the Office of the Secretary of Defense, over at least three Presidential administrations, and apparently a fourth as well. OSD believes that the way to recruit an All-Volunteer Force is by monetary incentives and a cash-work nexus.

We are now being told to use more of this kind of therapy. It hasn't worked before. It won't work again. Most damaging, it corrodes the very elan of the professional soldier, as well as that of the first-termer. What we need is a cross-section of youth, which, in turn, will give the military the aura of a national service obligation.

This by no means precludes proper compensation for the career force. As a matter of fact, it is the overpaid recruit that has caused a lot of the problems in the career force. This is the kind of bind, this econometric model, which views the military as another occupation has brought us to.

Mr. EDGAR. You have been very clear with us that the incentives for recruitment must be as simple as possible. You talked about the $250 plus the $2,500 for tuition or the $300 plus $3,000 for tuition as being an optimum benefit. You are helping us to articulate in many ways what that kind of simple recruitment incentive should be.

On page 2 of your testimony you point out that three main arguments are raised against the GI bill. One is that it is too expensive. We talked about that. Two, that it is not cost-effective, and we talked about that in terms of not only retention, but in terms of the efficiencies of keeping people within the system.

The third point that you mention is the one of adverse retention effects. I noticed in your comments and your statement that retention incentives can present a complicated situation for a bright and articulate person in the service who can see the up front value of those retention incentives and the long-term benefit.

Are there additional retention incentives or changes in H.R. 1400 that you would suggest to help in the retaining of capable and qualified people within the All-Volunteer Force?

Dr. MOSKOS. Of course, in my ideal world, I would separate retention from recruitment into two different bills. A GI bill for recruitment obviously falls within the Veterans' Administration's domain; and an inservice retention package falls under the Defense Department.

One of the questions is what to do about the transferability feature, which is batted back and forth in several different ways and different bills. H.R. 1400 has the extra complication of specifying criteria of critical skills and things of that sort. A career serviceman knows what these choice points of incentive packages will be, and you can get fairly involved. The way to address this question of transferability is thinking of how to get the same purpose without the aura of the free rider.

That is a difficulty of the transferability feature. Why should a youth, albeit a serviceman's son or daughter, get a benefit without having served the country. One might think of something else. A career serviceman could take out an educational loan after say, 10 to 12 years of service, which in turn could be forgiven in return for further reenlistment commitments.

Something of that sort would give the educational advantage to the career serviceman, which would be a powerful retainer, and, at the same time, remove it one step from direct transferability, which philosophically is associated with recipients being free riders. After all, the whole purpose of a GI bill is to reward for past service.

You may get that same intent of transferability through loan forgiveness.

Mr. **Edgar**. So that for the first 8 years he would earn his benefits, and between the 8th and 12th year he or she would take out a loan that could be invested in their children?

Dr. **Moskos**. That is it exactly.

Mr. **Edgar**. And for a period of service he could have that loan forgiven?

Dr. **Moskos**. I think we could maximize both intents there, be philosophically clean, and at the same time have the retention effect that we're all hoping for. I might add, too, that for a GI bill not to affect retention we cannot have a cutoff date. That is putting a self-destruct clause in it. If we are worried about retention, no cutoff date.

Mr. **Edgar**. You have presented some very good testimony today. You have also written extensively on this particular issue. I almost hate to ask you the next question, because you have put in a lot of time and effort, but I wonder if you would be willing to go through the major provisions of H.R. 1400, and take a look at them, not in terms of legislative language, because we have some cracker-jack staff who can put it in legislative language, but I would be interested in comparing your GI bill with our GI bill for educational incentives, so we can make a case-by-case comparison down the line in terms of the questions of recruitment, retention, transferability.

If you pull out of your box the fact that you've already done it, I guess the question won't be that difficult.

Dr. **Moskos**. Well, one has to keep all these bills straight.

Mr. **Edgar**. OK.

Dr. **Moskos**. You need a scorecard. Also, you might remember that the recruiter will need the same scorecard.

Mr. **Edgar**. That's right. One of the things you learn from the recruiters is something you've said, and that is that test programs are difficult to explain, the VEAP program difficult to explain, and I agree that we ought to move to something that is simple and easy and helpful to the recruiters.

As we move to markup, we're going to take your testimony, and we're going to have an amending process, where both sides of the aisle will have a chance to amend the legislation. As you know, H.R. 1400 was introduced by the chairman of the full committee and will be our vehicle for markup.

After we get past the preamble and go to the specific titles, we want to make comparisons down the line of the issues of recruitment, retention, transferability. From your perspective it would be helpful if you could just give us one sentence or two sentence lines of where you would differ from H.R. 1400 in terms of dollar amounts and tuition components.

Dr. **Moskos**. Well, let's just start off by saying that the high school diploma requirement should be dropped. That just is an extra complication that handicaps the recruiter and doesn't add anything more to the kind of people that the GI bill is supposed to attract.

H.R. 1400 does have a good provisio: an active 2-year duty eligibility component, coupled with an appropriate Reserve obligation. That is the only bill, to my knowledge, that has this element. H.R. 1400 does pay attention to Reserve questions, which are largely ignored in most of the other bills. It does have, however, a cutoff date, if my understanding of the bill is correct, of 10 years for the GI bill eligibility. If we are concerned about retention, there should be no cutoff.

H.R. 1400 has no tuition component. That is probably the biggest qualification I would make. But that, I think, is an element that must be included.

Without a tuition component we do not have an All-Volunteer Force GI Bill, particularly in the context of the other student loans.

H.R. 1400 allows the service secretaries to supplement for critical specialities. I think that is a complication that makes it hard to administer across the board. Our 2-year enlistees in the Army are going to be assigned where they're needed anyway.

I don't see what you get by having a critical specialities supplement, which again makes life complicated for the recruiter and hard for the parents or the young recruit soldier to understand. It does not have a transferability aspect. The 8- to 12-year decision point and for the critical specialities I think is valid.

Perhaps you could keep transferability by focusing on critical specialities. I think the services will have to come to their own decisions on transferability. They should decide whether to spend money from somewhere else to make an across-the-board transferability or limiting it to certain critical specialities.

Other things being equal I am always for rank being the determining factor rather than military occupation. I think that is better for the institution, that rank is the criterion by which we evaluate service rather than by what one does.

Mr. Edgar. Officers should get less?

Dr. Moskos. Pardon me?

Mr. Edgar. I was saying, do you feel that officers should get less?

Dr. Moskos. Well, I was really thinking basically of the enlisted ranks. Of course, if I had my druthers, every officer should serve in the enlisted ranks 1 year first anyway in order to make them eligible for this GI bill.

We do face the problem that our pay compression is greatest at the enlisted levels. This is where, I think, we have to focus the energy. I think, for example, an across-the-board recruit pay which is now being talked about is balderdash.

It is the NCO that needs the pay. Using critical military specialities, philosophically, I think, is not as good across the board by rank benefits.

Mr. Edgar. They are the main elements, and I appreciate your going through it at this point. I would be willing to accept for the record any additional comments in writing that you might have as you fly back or pursue other things.

You have been very helpful.

Mr. Sawyer. Mr. Chairman, I have one question.

Mr. Edgar. I yield to the gentleman from Michigan.

Mr. Sawyer. When we're discussing a tuition component, and I am impressed with your suggestion, would it be—let's say we assume that we came down on $3,000 a year. Would it be a flat $3,000 a year or up to $3,000 a year of whatever the tuition might be?

Dr. **Moskos**. Up to $3,000 a year. That would be the maximum.

Mr. **Sawyer**. But you wouldn't get—in other words, if you had $1,000 tuition somewhere, you would not get the $2,000.

Dr. **Moskos**. You would not get the $2,000.

Mr. **Sawyer**. OK, fine.

Dr. **Moskos**. You would just go to school and pay the tuition, and we'd have to monitor the schools like we should monitor our hospitals, that fees don't go out—but most of our colleges and universities are, of course, operating quite close to the margin already.

Mr. **Sawyer**. Thank you.

Mr. **Edgar**. One final question. Do you feel H.R. 1400 to be incompatible with the purpose and scope of previous GI bills?

Dr. **Moskos**. No, I think it is quite compatible. Most of us think of the previous GI bills, and if we focus on the Vietnam era one, which is the most recent and relevant, as being quite different from an All-Volunteer Force GI bill.

I think that is not the case. It should be remembered, first of all, that the Vietnam era bill covered the period from 1955 to 1976, most of which was not a war period. So to be sure, the pre-Vietnam era was kind of retroactive when many, like myself, had served without a GI bill, and by that time we were finished with college, and therefore, could not take advantage of a retroactive GI bill.

Only about 2½ million of the approximately 12 million veterans that have served in that period, served in Southeast Asia. An even smaller percentage actually engaged in anything approaching combat. It should also be stressed that the Vietnam Era GI Bill had as its purpose in chapter 34, of title 38 of the Veterans Benefit Code, to create an education program for the purpose of "(1) enhancing and making more attractive service to the Armed Forces of the United States".

That was the first goal of the Vietnam Era GI Bill. It is a recruitment bill, which is actually what we're talking about in an All-Volunteer Force GI Bill. There are three other purposes mentioned for the Vietnam Era GI Bill: To (2) obtain the benefits of the higher education to qualify any deserving young persons who might not otherwise be able to afford such an education, which is identical with an AVF GI Bill; (3) provide vocational readjustment and restore lost educational opportunities for both servicemen and women whose careers have been interrupted by reason of active duty after January 31, 1955; and (4) to aid such persons in attaining the educational and vocational status which they might normally have aspired to and obtained had they not served their country.

You could almost take this verbatim and place it in the text of a GI bill.

Mr. **Edgar**. Dr. Moskos, I want to thank you on behalf of the subcommittee for your very informative and articulate comments. Your testimony was excellent, and the answers to your questions were extremely helpful to us in shaping this bill. We hope that many of the major issues that you have raised will be part of our thinking as we move to the markup of this legislation.

I want to thank you for your contribution.

[The prepared statement of Dr. Moskos appears on p. 146.]

Mr. EDGAR. Our next witness is Richard D. DeCosmo, who is president of Delaware County Community College. Before my colleagues leave, I just want to tell you where Delaware County is. It happens to be in the Seventh Congressional District of Pennsylvania.

It is a very nice place to live and work and have one's educational experience. Richard DeCosmo is joined and accompanied by Darryl W. Kehrer, director of Office of Veterans' Affairs, American Association of Community and Junior Colleges, and Mr. Nicholas Early, who is the American Association of Minority Veterans Program Administrators.

We're really pleased to have you here this morning, and particularly pleased to have you here, Richard, since your Delaware County Community College is about a mile and a half from my home, and provides a great service to the young people of Delaware County and to Pennsylvania.

We appreciate all of you coming, and sharing your perspective on this issue. Let me just repeat the ground rules again. We've gone over a lot of territory, and we will make your statements a part of the record. We would appreciate it if you could summarize your statements, and then we can move to questions as quickly as possible.[1]

We'll begin by having you start.

STATEMENT OF RICHARD D. DeCOSMO, PRESIDENT, DELAWARE COUNTY COMMUNITY COLLEGE, MEDIA, PA.

Mr. DECOSMO. Thank you, Mr. Chairman and Members of the subcommittee. We appreciate the opportunity to present the views of the American Association of Community and Junior Colleges on H.R. 1400, Veterans' Educational Assistance Act of 1981. Accompanying me, as you said, is Darryl Kehrer, who is director of the Office of Veterans' Affairs for our association and Nick Early who is a board member of the American Association of Minority Veterans Program Administrators.

We're most interested in Mr. Montgomery's proposed legislation for an improved GI bill for the All-Volunteer Force. We feel that his legislation would be a blue chip investment for our country in terms of recruiting and retaining quality personnel for the Armed Forces, in terms of providing education and training opportunities for men and women who have served honorably in the Armed Forces, Reserve, and Guard components.

We're awfully proud of the fact that the community, junior, and technical colleges have served more than 1.8 million Vietnam era veterans with the GI bill during the past 15 years. My own institution has served thousands. Our specific views on Mr. Montgomery's bill are as follows.

In terms of educational benefits and the payment method, we feel that the GI bill, education benefits, should be paid directly to the veterans or service members and not to educational institutions. We propose that a monthly educational benefit of $400 be authorized.

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[1] See p. 150.

We do not favor a plan whereby the Veterans' Administration would pay all or a high percentage of the veterans' tuition for college, in addition to the monthly education allowance. We feel that such a payment policy could lead to the abuse of the GI bill, by some educational institutions, as was the case after World War II.

Moreover, reserving part of the benefits for tuition, will not help recruit well-qualified persons to the Armed Forces. It will reduce the value of the educational benefits as a recruitment incentive. We also support the preservice education program proposed by Mr. Montgomery, as an excellent opportunity for the Armed Forces to increase enlistment of persons interested in earning a 2-year associate degree or a 1-year certificate in a specialized technology.

Skills that young men and women would attain in these programs, would help fill a serious void of skilled technicians needed by the military services. We also support the educational leaves of absence provision. We think it has considerable merit. They could encourage more service members to reenlist by providing them with timely opportunities to enhance their skills without having to leave Active Duty.

It would permit service members to finish the second year of an associate degree or perhaps the fourth year of a baccalaureate degree as a full-time student, after completing other courses as a part-time student. This opportunity would provide the impetus for enlisted members to apply for a commission to further their own military career.

We also support the section on transferability of benefits. We think that would be an important incentive for helping the armed services retain skilled people. We have some problem with the language that 8 or more but less than 12 years on Active Duty.

We have no problem with the minimum provision, but we do have a problem with 12 years. We think that limit ought to be removed. We also would like to make a comment on the VCIP. That has been recommended for rescission by the administration.

We think that VCIP contributes significantly to the success of an All-Volunteer Force. We're speaking of the outreach, the counselling, the retention services, career advisement, VA certification and other services which veterans of the All-Volunteer Force will need if they're going to succeed in college.

The VCIP program at about 1,000 schools provides these valuable services. I hope the Congress will support the continuation of the VCIP so that educational institutions will be able to provide or continue to provide valuable supportive services to veterans and service members.

That concludes our summary statement.

Mr. EDGAR. Thank you very much for that summary. Your whole statement will be made a part of the record. Mr. Kehrer, do you have additional comments you would like to add at this point?

Mr. KEHRER. No, sir. I don't, but Mr. Early has a brief statement.

[The prepared statement of Mr. DeCosmo appears on p. 150.]

STATEMENT BY NICHOLAS EARLY, AMERICAN ASSOCIATION OF MINORITY VETERANS PROGRAM ADMINISTRATORS

Mr. EARLY. Mr. Chairman and members of the subcommittee, I am Nicholas Early. I am a member of the Board of Directors, American Association of Minority Veterans Program Administrators. Our membership is comprised of organizations who provide services to black, oriental, and Native American veterans. Our organization is one which is designed to meet the needs of veterans, and represent their interests as an advocate organization concerning the many issues facing veterans and affecting veterans.

AAMVPA membership is made up of veterans program administrators from all races and nationalities. Mr. Chairman, AAMVPA feels that H.R. 1400 is a proposal that could provide the incentive to attract higher quality personnel for the peacetime military.

The reestablishment of noncontributory assistance proposed by Congressman Montgomery will serve as a solution to the recruitment and retention problems, increase the educational level, retain individuals in the critical skilled areas and retain the career personnel who are in the military to avail themselves of benefits earned under the terminated GI bill program.

AAMVPA urges strong consideration by this committee of H.R. 1400 as an alternative to the VEAP program, which has proven to be a less than adequate one. Mr. Chairman, the American Association of Minority Veterans Program Administrators thanks this committee for the opportunity to give testimony on H.R. 1400.

The peacetime GI bill is a critically needed program, which will upgrade the peacetime military.

Thank you very much.

[The prepared statement of Mr. Early appears on p. 163.]

Mr. EDGAR. Thank you Mr. Early for your statement. We also thank you for your strong support of H.R. 1400. In your particular area you see more high school graduates joining the military service, which is one of the goals of H.R. 1400.

You are an official handling educational programs for minority Vietnam veterans. Do Vietnam veterans, who have high school diplomas, generally do better at a higher educational institution than veterans who did not complete high school before entering the active duty in the military?

Mr. EARLY. At the community college that I am working at, Cuyahoga Community College in Cleveland, we find that veterans without a high school diploma tend to do equally as well as veterans with a high school diploma. The reason that happens is that most of them usually, after their discharge, go through some type of remedial or refresher training in most of the local community colleges and universities.

What they do is upgrade their educational skills, and at the time they do that, they can then go on to an advanced degree program.

Mr. EDGAR. Generally, what is the educational background of the Vietnam veterans who failed to complete his or her GI program of education?

Mr. EARLY. The majority of them tend to be high school graduates, who were drafted, right after high school, and the majority of them tend to be individuals who are enrolling in college for a marketable skill. The majority of Vietnam era veterans who use the GI bill were in occupations in the military that had provided them with nonmarketable skills.

Those are your combat arms, infantry, et cetera.

Mr. **Edgar**. Mr. DeCosmo, your statement included a comment about the leave of absence provision and some support of that particular provision. Could you elaborate on that just in some detail? It is an issue that has been raised several times during our hearings, but we have never really focused on it.

How would it assist your institution, and how would it help the service person in your opinion?

Mr. **Kehrer**. The leave of absence provision, Mr. Chairman, we felt would be useful because of the benefits it would have for the individual serviceman or woman, and the opportunities they would have to finish the final year of an associate degree or the final year of a baccalaurate degree, and then perhaps qualify for a commission in their individual armed service and enhance their career in that way.

We do not look on that provision as a method necessarily for helping educational institutions. We felt it was well-written, and it would help individual service members, and hopefully, could help in the retention area.

Mr. **Edgar**. I understand from your testimony that you advocate a $400 benefit level without a tuition component. Could you explain that benefit in just a little more detail so we can have a better feel for what you're really saying there?

Mr. **Kehrer**. We felt the $400 level would be a more realistic level for monthly stipends, in view of the 3-year period, which will pass before any of the veterans would be eligible for this GI bill under the All-Volunteer Force. With the inflationary cycle we felt that $400 would be a more adequate amount of money to pay for books, fees, tuition, subsistence, and so on.

We also feel that the GI bill should serve veteran students and service members not educational institutions to the extent that there was some abuse, as you know, as was proven by the Teague Commission after the Second World War. Of the GI bill, we feel that the GI bill, in general, for the All-Volunteer Force should not be a more attractive package than was provided to Vietnam era veterans, who, in fact, were trying to readjust, many of them, from combat services.

We appreciate the intent of this measure in that it is designed to help recruit and retain persons in military service. We do not view it as a traditional type of readjustment measure, as we had after World War II in Korea.

Mr. **Edgar**. Thank you. I yield to my colleague from Massachusetts, Mrs. Heckler.

Mrs. **Heckler**. I just want to thank you. I appreciate your testimony. I have no questions.

Mr. **Edgar**. Mr. Smith from Oregon? I want to thank all of you for coming today and sharing your comments. The fact that we don't have any more detailed questions for you does not reflect on your statement.

It reflects on the fact that we've pursued this issue in a very comprehensive way, and your comments about the role and impact on community and junior colleges will be very helpful in drafting this legislation. I hope that you will follow the progress our field hearings and our mark-up, and make any contributions that you think might be helpful at that time.

Again, I would like to thank Mr. DeCosmo, who is President of Delaware County's Community College for being here this morning. We appreciate it, and look forward to working with you in the future.

Mr. DECOSMO. Thank you very much for the opportunity, Mr. Chairman.

Mr. KEHRER. Thank you, Mr. Chairman.

Mr. EDGAR. Our next witness will be Maj. Gen. Robert F. Cocklin, Association of the United States Army.

General COCKLIN. I have a brief summary of my statement, which I would like to go over, and then I will be pleased to answer any questions you may have.

Mr. EDGAR. We will make your entire statement part of the record.[1] We appreciate your summarizing your statement, and look forward to hearing your testimony.

Mr. COCKLIN. Thank you, Mr. Chairman.

STATEMENT OF MAJ. GEN. ROBERT E. COCKLIN, U.S. ARMY (RET.), EXECUTIVE VICE PRESIDENT, ASSOCIATION OF THE UNITED STATES ARMY

General COCKLIN. In the 8 years that the All-Volunteer system has been in existence, it has not provided the manpower needed for the total Army. When I use the term "total Army" I mean Active, Reserve, and National Guard. Further, in the All-Volunteer, quality has been compromised in the interest of quantity. The Army has been unable to recruit desired numbers of category I through III high school graduates.

The charts accompanying my submitted testimony show a direct connection between the decline in quality enlistees and the termination of the GI bill in 1976 and the greatly expanded postsecondary school financial support available from the Federal Government.

We believe that the most serious obstacle to the recruitment of the desired numbers of high school graduates, categories I through III is the inability of the Army to offer educational benefits, other than those attainable through educational grants or loans from other Federal agencies, where no service to the country is required, and there is little likelihood of pursued loan collection.

H.R. 1400 is generally a good bill. It has in our view six deficiencies.

First, we strongly recommend that the bill be amended to provide entitlement on a one-for-one basis for a 2-year enlistment option.

Second, we recommend that there be an additional provision in the bill to recognize pure reserve component service with benefits at one-half the Active Duty rate.

Third, we believe the bill should provide authority to the Service Secretaries to add additional incentives to the basic educational package to fill critical military occupation specialties. The Army is a manpower intensive force, and must have a competitive edge to attract quality enlistees from the decreasing supply of young people. This is entirely consistent with bonus and incentive plans already used.

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[1] See p. 166.

Fourth, we recommend that the transfer of benefits not be restricted to critical skills but applied across the board after 10 years of service.

Fifth, individuals currently authorized VEAP and the Vietnam Era GI Bill should be eligible for the additional stipend for service, and the transfer provision after meeting the service criteria of this bill.

Sixth, as this bill has a different purpose than GI bills of the past, it must appeal to the college-bound youth the services want to attract. Inflation is also very much a part of the student's life. Consequently, the basic entitlement should have an automatic cost-of-living adjustment, if it is to be an attractive incentive. Only minimal payouts are going to be made before the third year after enactment. By then, even most inexperienced youth will recognize that the $250 or $300 a month will not provide much toward post-secondary school costs.

While not a deficiency, there is one element of H.R. 1400 which I believe could be an administrative nightmare, that is pre-service assistance provision. I would urge that the reward for honorable service be made after the service has been performed.

This educational incentive for military service could and should be financed without increased Federal funding by curtailing programs increases in Department of Education grant and loan programs. In fact, it is our belief that if these programs are not curtailed as proposed by the administration, it is questionable if any new veterans educational assistance programs would significantly improve the quality of recruits. Not only is no service required for these other Federal programs, and no pay back required for grants, but the national direct student loan program reports over $732 million in defaults.

We have developed a system of educational benefits that offers more to those who do not serve their country than to those who do.

Mr. Chairman, that concludes my statement.

Mr. EDGAR. Thank you very much for your statement and for your summary of your statement. Point No. 3, which you make in your six points of disagreement with the legislation, reads, "in order for the individual services to be competitive in the marketplace, we believe that the bill should provide authority to the Secretaries of the military departments to add such additional incentives to the basic educational package to fill critical military occupational specialities as the service may be willing to fund and the Congress authorized."

I would like to point out that in H.R. 1400, that provision is an option, and that the authority is vested within the services to provide what is called a kicker for those critical skill areas, so one out of the six areas you mention we do have some commonality.

Your other five, particularly the area of cost-of-living increment, has not come up in our discussions thus far, and you make an important point that each year we would have to come back either in the House Veterans Affairs Committee, and look at whether or not the $250 or whatever particular level we settle on is adequate.

There have been charges in the past in terms of cost of living with social security and with other retirement benefits that this is an inflationary aspect that should be avoided at all costs, and that committee should base its further determinations on what the Congress of the United States can afford.

General COCKLIN. I think, Mr. Chairman, if I may, one of the things that enters into this, unlike some other programs, is the time that the pay-out starts is further down the line than would normally be expected, and I think it should be looked at. Hopefully, we may reach a time where inflation is under control, and we don't have to add more to the program, but I think it needs to be looked at on a regular basis.

Mr. EDGAR. I appreciate that. I yield to my colleague, Mrs. Heckler.

Mrs. HECKLER. We have heard a great deal of testimony about the law being very vital to non-commissioned officers.

General COCKLIN. Yes, right.

Mrs. HECKLER. That seems to be one of the central aspects of our deliberations here. Your constituency would include all the officers, as well. I see that you might have some difficulty in answering this question, but if the gravest problem in the All-Volunteer Force is the NCO problem, what would you think, in the interest of austerity, of limiting the GI bill benefits to noncommissioned officers?

General COCKLIN. Well, let me say first of all, Madam Congressman, I am not so sure that the retention of NCO's is any more important than attracting quality recruits to begin with. We really have, in my judgment, two very important elements to this bill.

I suspect that if it were a question of not having a GI bill or having one only for the noncommissioned officers, enlisted personnel, obviously, that would be a position we'd support. We'd like to see our officers participate in benefits of their service as well in the educational field, and particularly in the transferability, because we do have a problem, as you may know in the captain, major level, for example, in the Army right now. We're very short of those people.

Most of them are leaving so that they can make provisions for financial support of their families, so it is important in both areas.

Mrs. HECKLER. Do you know offhand what the salary of a captain and a major would be?

General COCKLIN. Well, I am going to make a guess. I can't keep track of those anymore, but I would guess that it is somewhere in the neighborhood, Eric, correct me if I am wrong, but about $800 a month. About $1,100, excuse me. I am off by $300.

[The following was subsequently submitted for the record:]

Base pay, captain with 6-years longevity—$1,692 per month.
Base pay, major with 12-years longevity—$2,043 per month

Mrs. HECKLER. $1,100 a month, and how would you compute the housing assistance that they get.

General COCKLIN. I beg your pardon.

Mrs. HECKLER. Housing allowance.

General COCKLIN. Well, it is a little early to tell on the variable housing allowance how it is going to work, because we have just had it in for awhile, and I certainly think that it is a fine addition to the compensation package. We just really haven't had enough experience yet, I'd have to say, to know what impact that is going to have on people staying in.

Certainly it is going to help. There is no doubt about that. [The following was subsequently submitted for the record:]

Housing allowance, captain—$342 per month.
Housing allowance, major—$380 per month.

Mrs. HECKLER. How long does it generally take a person in the Army to reach major or captain?

General COCKLIN. Well, I would say probably, what, 4 or 5 years, for captain. Eric? Eleven for major, he says. He's closer to it than I am.

Mrs. HECKLER. Suppose we have an increase in the compensation of the officers. Wouldn't that do the same thing?

General COCKLIN. Well, yes, there are several ways to skin this cat, and I would think that from a financial point of view, a GI bill approach would be more attractive because our past experience with World War II GI bills, was that about 50 percent of the people took advantage of it.

I think it got up to about 65 percent as a result of the Vietnam war, whereas if you give a cost-of-living increase or raise the pay of everyone, then you do two things. One, everybody participates, and it adds to the retirement cost, so I think in looking at the compensation picture, we want to be looking at how we can address what the real problem is and not add some additional problems further down the line.

Mrs. HECKLER. On this question of retention of officers, I would presume that an officer already has a bachelor's degree?

General COCKLIN. Yes.

Mrs. HECKLER. So he or she would be looking for a master's or doctorate or a professional degree. Isn't it quite likely that such a person would be gearing for a civilian career, not a continuation in the military?

General COCKLIN. Well, that is a possibility. I would say that most of them would be looking at the transferability aspect of this, more than for their own education, in my judgment, for the great bulk of the people.

Mrs. HECKLER. And that would work more for the retention?

General COCKLIN. Yes. If you knew that you had a big leg up on your college education of your children certainly it would.

Mrs. HECKLER. Thank you, General.

Mr. EDGAR. Mr. Smith?

Mr. SMITH. Following along this same line, General, I have become concerned with the potential time bomb of the fiscal problem with this thing way out there in the future. I spent 7½ years on Active Duty, had a regular commission, had another 2½ years in the Guard.

I think it is important that we have something, but to try to target to try to help the All-Volunteer Force, and to try to help the problems that we really see, we now have an officer corps which is pretty much college educated. It is a requirement to get the candidates on board, and we have that pretty well accomplished.

As an example, and I am either the worst example or the best example, I would not have stayed on active duty even if they would have made me a general, because I think at that time, even the people who were generals were under severe limitation by the political leadership in this country, and you had a job satisfaction that was extremely low.

I don't think that by giving people money or educational benefits or carrots or sticks, you're going to solve that problem. Our great difficulty, almost all our testimony shows, is with the midlevel NCO.

I really question whether we should include the officers in this kind of a program. I question whether we wouldn't be better off to have only the enlisted people eligible, and then make sure we do target the groups, and I think the retention is the key factor here, not necessarily the problem of original recruitment.

I really am interested in your protection of the officer corps as such. I realize you're representing them, but I wonder if we wouldn't be better off just to pay those people better, and give them more responsibility with their authority.

General Cocklin. Well, certainly I wouldn't disagree with what you have said. As I said to Congresswoman Heckler, there are several ways to skin this cat, and one, you're going to provide for it one way or the other, and I really don't see that it makes that much difference.

I have the feeling that across the board when you have a program that runs across the board in any military service, that it tends to be viewed with greater equity than where you single out either enlisted or officers for special privilege.

This is a matter of equity, but we can solve that several ways, too, I am sure. I think what we're after here, as I tried to say earlier, if you get into—I am not opposing having the whole compensation picture looked at, but I think you can provide a very meaningful, attractive incentive here that, because it doesn't get involved in the retired pay down the line and so on, it might turn out to be more cost effective than some other way.

That is what I would just urge the committee to take a good look at.

Mr. Smith. I think really since retention is our problem, and retention in the people who are trained to operate our technical equipment, that we'd better target this thing, knowing what the costs are. That is our goal to try to retain.

General Cocklin. Yes, sir.

Mr. Smith. So we should——

General Cocklin. I would like to just make the one point though, sir, I think it is a dual thing. We need to attract quality people. Certainly we have to retain good people, but if we're going to have good people in our corps force, career force, we have first got to get good people into the system, so I think that one of the most important features of the GI bill is its recruiting—its assistance in recruiting the kind of people who would be interested in furthering their education on down the line.

Those are the kind of people we're trying to get.

Mr. **Smith**. What do you feel about the Reserve component inclusion and/or if that should help the overall force concept, I would think.

General **Cocklin**. We have that as one of our points in here. We think that the Reserve component should be included on a one-half rate of Active Duty, yes, sir.

Mr. **Smith**. But do you feel strongly about that particular portion?

General **Cocklin**. Yes, sir, I do, because when we talk about Total Force, you see, we've got a very heavy commitment for our Reserve components as part of our overall defense posture. We've got to be aware and treat them with the same equality, if you will, that we do the people in the active establishment.

Mr. **Smith**. Do you want to take on the problem of transferability of spouse or only children? I mean that looks like that is going to be a real tough one out in the future, too.

General **Cocklin**. Well, obviously, the transferability probably is one of the key features as far as retention. I wouldn't want to get into a debate about spouses. I have got one of my own, and I don't need any problems, but certainly I think children ought to be included, at least.

Mr. **Smith**. It does look to be something though that had better be carefully written.

General **Cocklin**. Yes, sir. It does, indeed.

Mr. **Smith**. Thank you, General.

General **Cocklin**. Thank you.

Mr. **Edgar**. Thank you for your testimony. You were very "to the point" and helpful to us this morning. We appreciate it.

General **Cocklin**. Thank you very much, Mr. Chairman. I appreciate being here.

[The prepared statement of General Cocklin appears on p. 166.]

Mr. **Edgar**. Our next panel of witnesses will be the representatives of the major veterans organizations. First, Mr. Philip Riggin, the American Legion, accompanied by G. Michael Schlee, director of the National Security-Foreign Relations Committee, the American Legion.

Also here is Mr. Philip Mayo, Veterans of Foreign Wars, Mr. Gabriel P. Brinsky, AMVETS, Mrs. June Willenz, American Veterans Committee. We welcome all of you here, and we'll make sure everybody has a chair.

Before you begin I have a brief statement that I would like to read, if I could, and then we'll proceed on the order of our witness list through your statements.

I mentioned at the hearings yesterday, and I would like to repeat it today, that the men and women who have occupied this chair in the past have always known that the primary purpose of this committee and this subcommittee is to serve the needs of the American veteran.

We are not about to compromise that commitment, and I, for one, am not about to compromise you and your needs under the pressure for either new budgets or new ideas. The legislation before us today is designed to help the All-Volunteer Force recruit and retain quality military personnel.

I believe it to be in the interest of this committee, and in the defense of our country to address this problem, but the value of the incentive we want to create would be meaningless unless we first keep our commitment to you. We can ask young men and women to join the Armed Forces now. We can offer them an education.

We can promise them benefits and bonuses, but on the other hand can we still promise them first-rate medical care if they are disabled, or readjustment assistance if they are troubled, or jobs, or rehabilitation services?

These are part of the recruitment and retention package too. If we are going to send this education package to an Army recruiter, by all rights we ought to have a veteran, maybe a Vietnam veteran deliver it. In all honesty both stories need to be told, both commitments need to be met.

I believe we can do both, and we must do both. So I want to welcome you again to this committee, I know your concerns about this legislation. I share your concerns, but with your help I believe we can work out the problems with which you've identified in your statements. I would like to call first Mr. Philip Riggin from the American Legion to proceed, and then we'll proceed to the other service.

STATEMENT OF E. PHILIP RIGGIN, DEPUTY DIRECTOR, LEGISLATIVE DIVISION, THE AMERICAN LEGION, ACCOMPANIED BY G. MICHAEL SCHLEE, DIRECTOR, NATIONAL SECURITY-FOREIGN RELATIONS COMMITTEE OF THE AMERICAN LEGION

Mr. RIGGIN. Mr. Chairman, on behalf of the organization, I would like to say, first of all that we appreciate the opportunity to be here. Second, very quickly, we couldn't agree with you more in terms of your statements regarding the budget, and the signals that are being sent to those people who would consider the military career, and part of that consideration, would look toward what veterans' benefits would be available at that time.

Again, my name is Phil Riggin. I am the Deputy Director of Legislative Division for the American Legion. On my left is Mr. Michael Schlee, Director of National Security and Foreign Relations for the American Legion. He will present our statement.

On my right is Mr. John Sommer, Assistant Director of Veterans Affairs and Rehabilitation for our organization, and in recognition of the space available, we did ask Mr. Sommer to join us. All three of us will be available to answer any questions the Subcommittee may have.

I will turn this over to Mr. Schlee at this time.

Mr. SCHLEE. Thank you. I, too, appreciate the opportunity to present the views of the American Legion to the subcommittee this morning. The chairman stated in his initial remarks that the scope of these hearings were to review the entire nature of the benefit of the GI bill, both historically and within the context of the present needs of the All-Volunteer Force.

For the use and review of the subcommittee, I have appended a history of GI bill benefits to the prepared statement.[1] The instrumental involvements of the American Legion in these programs over 30 years will hopefully be of value in addressing the issues concerning the historical scope of these hearings.

Resolution No. 36 approved by our national executive committee, gave support to a balanced educational incentive program, which would promote recruitment and retention of individuals in the Active and Reserve forces. We do believe that legislation should contain three factors; namely, preservice, inservice and postservice benefits.

Turning to the specific legislation, namely, H.R. 1400, I would like to emphasize the major areas of support, and recommended changes in that proposal. We support the intention of section 1401 with the exception of the words "readjustment benefit." We do believe the purpose of this legislation is recruitment and retention.

We support section 1412 and commend the recognition of the indispensable role of the Reserve component and the National Guard and the total force policy throughout this proposal. Unfortunately a frequently neglected fact, we feel both the monthly rate proposed and the method of payment are fair and equitable. Likewise, we favor the supplemental education assistance program, and the concept providing additional supplemental assistance on an as-needed basis for military personnel with critical skills and specialties.

The American Legion has concern about section 1433 in its provision for transferability. We respectfully ask that a serious look be given to the long-range cost of this proposal, its equity and its actual effectiveness across the board.

We agree with the preservice education assistance in section 1443, and inservice provisions. Resolution No. 36 sets out policy for the breakdown of cost proposed in section 1445. We are in agreement that such an educational program should be administered by the Veterans' Administration.

That agency currently has in its employment experienced staff with the expertise necessary to insure that such a program is carried out in an efficient manner, however, the foregoing resolution recommends to the Congress that any such educational incentive program be entirely funded by the Department of Defense.

The justification for this recommendation is strength in taking into consideration the cuts in the Veterans' Administration budget recently proposed by the Office of Management and Budget. The bottom line is that the ultimate purpose of such legislation is to provide an incentive for the recruitment and retention of personnel in the Armed Forces.

Based upon this premise the Legion favors funding of any of the benefits payable under such an incentive to be funded by the Department of Defense. I would also like to point out that in strongly supporting the educational incentive program, the American Legion does not believe that it, alone, will solve all the problems of the All-Volunteer Force, nor can it even begin to achieve its goals unless the competition from the ever-increasing amount of Federal education programs is dramatically reduced.

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[1] See p. 187.

While it will enhance the numbers and increase the quality of new recruits, it still may not fully meet the needs of the services for a cross-section of American youths to operate and man our ever-increasing complex and sophisticated weapon systems.

We concurrently support that additional funding for increased pay and benefits, and for improvements in the all-important quality of life factors for the Armed Forces. The American Legion believes that a return to conscription is inevitable, however, political reality will deny this in the near future.

Our position is reinforced by American youth demographics for the 1980's. According to the Census Bureau projection, a supply of 18-year-old males will shrink during the 1980's and 1990's because of the progressive decline in childbearing in the 1960's and 1970's.

It has been calculated that the military services will have to recruit one of every two qualified and available males by mid to late 1980's. By contrast in last year, 1980, about one in every four qualified and available 18-year-olds were recruited.

In conclusion, the American Legion fully supports the balanced educational incentive program for recruitment and retention in the Armed Forces. We believe the timely enacted legislation with the modifications we have recommended, will go far to accomplishing this goal.

Mr. Chairman, as you stated in your opening remarks, we must stop sending conflicting signals to our youth and to our men and women in uniform. We must enact an educational benefits program now, and keep it on line for the future to enhance the quality of the individuals we are asking to serve.

Again, I appreciate the opportunity to appear before you today.

[The prepared statement of Mr. Riggin and Mr. Schlee appears on p. 171.]

Mr. **Edgar**. Thank you very much for that important statement from the American Legion. We'll hold our questions until we hear from the other organizations. Philip Mayo is here from the Veterans of Foreign Wars, and we ask that you present your statement in summary, if possible.

Your full statement will be part of the record.[1]

STATEMENT OF PHILIP MAYO, VETERANS OF FOREIGN WARS

Mr. **Mayo**. Thank you, Mr. Chairman. I will summarize with that understanding, and I would like to thank you and the members of this subcommittee for allowing us to present our views with respect to an All-Volunteer Force recruitment and retention educational package.

We recognize the undeniable need for the Armed Forces to attract and retain the necessary number of qualified personnel into the service. Many acknowledge that some form of educational incentives would provide the needed emphasis for increasing that flow in and to retaining those needed members in the service.

On the other hand others have indicated that the cost of such a program would be entirely too prohibitive. We believe that the commitment to the All-Volunteer Force requires an educational incentive program be implemented and such a plan should embody a number of concepts which are that the benefits described to the plan should be fully funded through the Department of Defense, with the VA supplying only the personnel required as well as their cost to administer the program, that those currently enrolled in other educational programs, including the Vietnam era GI bill, be afforded the opportunity to participate in this program, that the thrust of the legislation be aimed primarily at the use of the benefits by the veterans, themselves; and that the Reserves and National Guard be accorded the opportunity to become eligible to some degree under the program as well.

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[1] See p. 192.

We appreciate again the opportunity to be here and present our views.

[The prepared statement of Mr. Mayo appears on p. 192.]

Mr. EDGAR. Thank you very much. I appreciate your statement this morning. Mrs. June Willenz, the American Veterans Committee is next.

STATEMENT OF JUNE WILLENZ, AMERICAN VETERANS COMMITTEE

Mrs. WILLENZ. Thank you, Mr. Chairman. I am very pleased to be here to represent the American Veterans Committee. I would like to present the Veterans Affairs Commission chairman, Frank E. G. Weil, who is sitting with me. I will summarize very briefly the views of the American Veterans Committee.

We have traditionally supported the concept of a GI bill. We think, and we believe, that it has been proved by the history of the last 35 years, that the GI bill has been an investment in human beings as well as a great benefit to the Nation.

We were sorry to see the Vietnam era bill go out of existence, and we urged then that a new bill be instituted. The experience of VEAP indicates to us that a new bill is in order. We have heard ample testimony the last few days from the services about the problems of the All-Volunteer Force, the problems of retention, the problems of recruitment.

We believe that a peacetime GI bill will address those needs; however, as Professor Moskos and some of the other veterans organizations sitting here, we'd like to emphasize that a GI bill cannot solve all the problems of the All-Volunteer Force. We think that the current version, H.R. 1400, and the Armstrong and Bennett bills to some degree address these problems.

We would like to emphasize that we would like to see it address the recruitment problems more than the retention problems. We would like to see a World War II model. I think Professor Moskos has indicated in great detail the advantages of the World War II model.

We would like to see a separate tuition payment, and living allowance. There have been reports of the Vietnam era GI bill indicating that a single allowance channels veterans into the lower course colleges as well as having some regional channeling.

Obviously, with a limited amount of money, the veteran is going to find the school with the lowest tuition and the lowest living costs. Therefore, we would urge, on the basis of equity, that the veteran be given a free choice of school, and, therefore, that the model suggested by Senator Armstrong and Congressman Bennett be used.

We would like to call attention to a couple of details that we think perhaps are important. We would like to see the Coast Guard included among the services. I believe H.R. 1400 doesn't include it.

Mr. **Edgar**. Without objection, so ordered.

Mrs. **Willenz**. Thank you.

Mr. **Edgar**. We had talked about the Coast Guard being included before, and I think it was more of an oversight.

Mrs. **Willenz**. Thank you, Mr. Chairman. Also, we know that except for Congressman Bennett's bill, the eligibility for benefits under the proposed peacetime GI bill are only for those who receive honorable discharges.

Under present statute veterans who receive general discharges under honorable conditions are entitled to educational benefits. We don't see why there should be a change. At the very minimum, include those who have received general discharges in the eligibility.

Also we don't see why there should be a cutoff date for eligibility. There are times when a veteran cannot use his entitlement, immediately after service. We have argued against the 10-year eligibility time limit, and we would urge at this time that it also be eliminated from any kind of bill.

We would like to submit a complementary statement at a later time. I think that this summarizes our immediate statement.

[The prepared statement of the American Veterans Committee appears on p. 198.]

Mr. **Edgar**. Thank you very much. The AMVETS are not present this morning to share their testimony, but their testimony will be made a part of the official record.[1]

I yield to my colleague from Massachusetts, Mrs. Heckler.

Mrs. **Heckler**. I would like to congratulate the panel on the very fine presentation on each person's part. I would like to ask Mrs. Willenz if she has any budget estimates of the proposed changes in the bill that she suggests.

Mrs. **Willenz**. I believe that this model, the World War II model, would cost approximately $2 billion. I think Professor Moskos has submitted the figures to this committee, and I think we must regard that these dollars are dollars very well spent, and that the history of the GI bills before this time have indicated that not only the veterans have benefited and their families, but the Nation as a whole.

There can be no better way of spending it as an investment in human beings.

Mrs. **Heckler**. I think the record does show the great benefits to the country from the G.I. bill. In this case we're trying to benefit the military by trying to keep people in the service, and that is why the questions were asked about the eligibility of officers, whether or not this would work toward their retention within the military.

Do you think that this would be the result of having a GI bill which would extend to officers? Do you think it would serve the purpose of retention?

Mrs. **Willenz**. I think, as I said earlier, I don't think the GI bill's main purpose is that of retention.

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[1] See p. 204.

Mrs. **Heckler**. But we are drafting one with that purpose. This is our purpose today.

Mrs. **Willenz**. Well, we would have to study that question concerning whether officers should be excluded.

Mrs. **Heckler**. The other question I would like to ask is about the transferability. Do you believe in the transferability of benefits to spouse and children?

Mrs. **Willenz**. I think this is a very complex question. The question of whether that kind of entitlement, which is based on an individual service, can be transferred, I think is a very complicated one. I am not sure—it might very well assist in some retention. I don't know whether the overall picture would be worth the complexity, and also there is a basic question of equity. Mr. Weil might want to supplement that.

Mr. **Weil**. I would like to supplement that, Mrs. Heckler. We believe that transferability should be limited to those cases where the individual cannot, as distinct from does not wish, to take advantage of the educational opportunities. For instance, someone who has become severely disabled, and cannot really take advantage of it, and if I might comment on the officer question, I believe by commission—would consider including that small minority of officers who do not yet have a bachelor's degree, that it certainly does not disadvantage them. I don't think the main purpose of the bill is to finance graduate education for those who, through economic circumstances, are much more likely to be able to afford it.

Mrs. **Heckler**. Would you say that the American Veterans Committee is not interested in the retention of personnel in the military?

Mr. **Weil**. No. What we say is that trying to stretch this bill to cover both things adequately is perhaps stretching it a little too far, and we should address retention separately. We certainly agree to the most important problem.

Mrs. **Heckler**. How would you suggest that we address the question of retention of personnel in the military, especially the noncommissioned officers?

Mr. **Weil**. I think there will be some beneficial effect for retention of the bill as it stands. I think it requires less of a blanket approach, more analysis—precisely where is the greatest rate of attrition—and what incentives can be brought to that particular group. Presumably the attrition rate for drill sergeants is one thing and for nuclear propulsion specialists it is something else. The incentives may very well have to be different.

Mrs. **Heckler**. Thank you very much.

Mr. **Edgar**. Mr. Smith of Oregon?

I have three very brief questions that I would like to ask, and again, I appreciate your patience in coming today. First, to Mr. Mayo from VFW, at your national convention in Chicago last August, President Ronald Reagan, then a candidate for the office of President, has been quoted as telling your delegates he favored restoring the GI educational bill.

However, we have had no endorsement of such a proposal from the administration or from an administration spokesman. All but one of the military officers in uniform who testified before our committee supported the concept of a GI education bill.

All we have heard from the administration is that we should wait and see the outcome of the test, the VEAP program. When we've talked with some of the people who have responsibility over those tests, there has been a great deal of confusion. In fact the Air Force said that a director of the program to administer those tests and programs does not understand them.

I know the VFW is a strong supporter of a strong military force. In your opinion do you agree with the administration's position on H.R. 1400 and on similar bills, and can we afford to wait another year or two before acting on a GI education incentive and recruitment bill?

Mr. MAYO. I think that what has taken place insofar as military is concerned has been adequately brought out this morning. The ability to keep people in as it stands, requires that such legislation we have before us not be too long delayed.

We do think along the road in the future that we may return to conscription, however.

Mr. EDGAR. But specifically in relationship to a new GI education bill, can we afford to wait?

Mr. MAYO. I would think not.

Mr. EDGAR. Thank you.

Mr. MAYO. Based on current information.

Mr. EDGAR. Mrs. Willenz, you apparently favor a variable education payment depending upon tuition charged by the school, which the veteran may attend. You also made some comments about supporting the earlier testimony about a tuition component.

Is this your principal objection to H.R. 1400 that it does not have a tuition component?

Mrs. WILLENZ. That is the principal objection, although I might add that we feel that the bill that is simplest would be the one that would be most able to serve the purpose of recruitment.

We think that the complicated formulas in H.R. 1400 are going to mitigate against the very purpose of the bill, and that is to recruit. Just as a postscript, we would like to see a much more representative All-Volunteer Force, and we think that the GI bill will provide that important incentive to the components in our society that are not now representative of the All-Volunteer Force, namely the high school graduates, college-bound youth, so that we think that a simpler bill, without all the complicated transferability provisions, would be far more useful for the purpose of recruitment.

By the way, the very nature of this new mix that such a bill would provide would inevitably add to the continued service, and therefore, would help ameliorate the retention problems. We know that high school graduates have a lower dropout rate and are much more likely to finish their terms of service.

They also have lower attrition rates in all the ranks.

Mr. EDGAR. Thank you. Mr. Schlee, you and your colleagues look to me to be, and I know as a fact, both Vietnam era veterans, and holding high positions within the American Legion. We've been focused here today primarily on the all-volunteer military and how to maintain it.

Yet in the last few weeks there have been several disquieting revelations that have surfaced. One is a major study that has been widely reported on Vietnam era veterans, their readjustment problems and their impact on society.

Second, is the need to cut budgets and balance budgets and its impact on veterans programs. Tomorrow we're going to be holding a meeting here of the full committee to discuss the possibility of cutting back some of those veterans programs.

I wonder if in either or both of those two areas, either the study that has been reported or the budget-cut area, you would have any comment that you would like to make in relationship to the earlier comment I made that both are important, both the new program to provide educational benefits and the old programs that were promised to, particularly, Vietnam era veterans.

Mr. SCHLEE. I would like to refer this to Mr. Riggin. I deal on the defense aspects, and he is more of a pro in that. We don't have budget problems in that area so far, so I will refer——

Mr. EDGAR. So far.

Mr. RIGGIN. Mr. Chairman, I think that your record generally over the years and more specifically in recent weeks is very clear in terms of what the proposed budget cuts would do to Vietnam era veterans. I think that you generally know that we share that concern.

The initial proposal by the administration to eliminate the Vietnam veterans readjustment counseling program is something that we felt was ill-conceived. We did not think it had been given a fair chance by the administration, and I do understand that there are apparently some second thoughts in that regard to some extent at this particular time, which, in my opinion, is a very positive sign.

Apart from that particular budget cut, we have to look at Vietnam veterans generally who have gone to war, in very unpopular circumstances, in good faith, expecting to receive certain benefits when they return. I think that as far as current law is concerned and what they are eligible for, those benefits are generally there.

It is now a matter of funding those benefits and making sure they are actually applied and practically applied to Vietnam veterans as well as veterans of other wars. We are finding, of course, that Vietnam veterans in that regard share the concern of veterans of earlier war periods with the budget cuts that are being recommended at this particular time.

So I think it is generally an environment of alarm, especially when Vietnam veterans were beginning to see some light at the end of the tunnel in recent weeks and in the last couple of months regarding publicity that had been vicariously given to them as a result of the hostages returning from Iran.

So I think this is particularly difficult at this point, based upon what they thought they were seeing, and what they're seeing in terms of budget cuts. It is very confusing, and it is, therefore, a very negative thing, I believe, as far as Vietnam veterans generally are concerned.

Mr. EDGAR. Thank you for your comment. I would announce to everyone that on the 8th of April there will be joint hearings between this subcommittee and the Health Care Subcommittee dealing with the veterans centers that are impacted by the budget cuts.

Mr. RIGGIN. We would like to be here.

Mr. EDGAR. I think they are very important hearings. I would like to thank all of the persons for testifying. There may be additional questions that we'll be asking from time to time as we move to markup of the legislation. We thank you for your contribution.

Our next panel of witnesses will be Mr. Bernard Ehrlich, legal counselor to the National Home Study Council, accompanied by Mr. Lee Hughes and Jack Thompson. Gentlemen we welcome you here this morning. You have been very patient with us as we've gone through a large number of witnesses.

Again, I would remind you that we're under a bit of time pressure, and we hope that you could summarize your point of view, and speak directly to the legislation.

STATEMENT OF A PANEL CONSISTING OF BERNARD EHRLICH, LEGAL COUNSELOR TO THE NATIONAL HOME STUDY COUNCIL, LEE HUGHES, DIRECTOR OF EDUCATION, U.S. MARINE CORPS INSTITUTE, NATIONAL HOME STUDY COUNCIL, AND JACK THOMPSON, PRESIDENT, McGRAW-HILL CONTINUING EDUCATION CENTER, NATIONAL HOME STUDY COUNCIL

Mr. EHRLICH. Mr. Chairman, we have done so, and we appreciate our full statements going into the record.[1] We have two speakers here today, Mr. Lee Hughes of the Marine Corps Institute and Mr. John Thompson, both of whom will be speaking on behalf of the National Home Study Council, which is an organization comprised of accredited home study schools.

Without further ado we'll start with Mr. Hughes.

STATEMENT OF LEE HUGHES

Mr. HUGHES. Good morning, Mr. Chairman. I am Lee Hughes, director of eduction of the Marine Corps Institute, which is a correspondence school run by the Marine Corps at the Marine Barracks here in Washington. I am a former Marine Corps officer and teacher, and have recently completed my 17th year of service with the Marine Corps Institute, and the last 6 years as the Director of Education.

I am not giving a policy statement for the Marine Corps, but after being involved with all aspects of training by correspondence for over 17 years, I think that I am qualified to speak about correspondence training in the Marine Corps and Armed Forces.

Today there are over 800,000 U.S. military personnel enrolled in correspondence courses, covering several thousand subjects, ranging from the Industrial College of the Armed Forces to the operation employment of the M-60 machinegun. For some service men and women, correspondence training is the primary means of acquiring training.

For example, the marines of the Marine Security Battalion assigned at embassies all over the world are among the biggest users of correspondence courses. The Marine Corps thinks highly enough of correspondence training to add up to 50 points composite scores used for determining promotional eligibility for completing courses.

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[1] See p. 207.

In addition, management of the correspondence course program and the completion rates are items that are inspected by the Inspector General of the Marine Corps in his annual unit inspections. Correspondence study is an integral part of the training of all military services.

A service man or woman becomes accustomed to the correspondence method of study. It is self-paced and an effective method of learning. It seems to me that it is quite natural for former service persons to look to continue this method of study when he or she returns to the civilian world.

Whether it is a course from the National Home Study Council accredited school or one of the numerous academic courses offered by over 100 of our major universities, there is a large population which feels at home with this home study method of learning.

I feel that these people should have the right to continue their education, using the GI bill benefits that they have earned at an accredited correspondence school. What better way to accomplish the provisions of section 14-16 of the proposed H.R. 1400, than to allow a service person to use the GI bill to further his or her education by correspondence study, while continuing to perform his or her military duties, no matter where he or she is stationed.

I strongly urge your positive consideration for retaining the right to study by correspondence as an option to the GI bill. Thank you, Mr. Chairman.

[The prepared statement of Mr. Hughes appears on p. 207.]

STATEMENT OF JACK THOMPSON

Mr. **Thompson**. Mr. Chairman, members of the subcommittee, I am John F. Thompson, president of the McGraw Hill Continuing Education Center and the National Radio Institute, NRI, the Nation's oldest and largest technical home study school, enrolling 24,000 students annually.

I am today representing the National Home Study Council, of which I am past president, and currently vice chairman of its accrediting commission, which is recognized by the U.S. Department of Education as an official accrediting body. This is my 25th year as a correspondence school educator.

I am an Air Force veteran. I earned 2 year's college credit through home study courses, and pursued the GI bill upon discharge. I have prepared a written statement regarding correspondence education and its importance to the GI bill. In the interests of time this statement has been distributed to you.

I urge you to read it carefully, and would like to have it included in the record today.[1] First we totally approve and endorse the concepts of the new educational assistance program included in H.R. 1400. It does an excellent job in promoting and assisting the All-Volunteer Force program and total force concepts of the U.S. Armed Forces.

I want to be absolutely sure that this bill provides for training by correspondence as has every GI bill since its inception following World War II. For the record during the late 1960's and early 1970's of all active duty service personnel using their GI bill benefits, over one-half used these benefits to enroll in correspondence schools.

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[1] See p. 210.

In the period 1966 to 1976 more than 1.1 million veterans and service personnel studied correspondence courses. This represents 17.8 percent of the total of all GI bill students enrolling in all types of schools. Aside from the convenience and practicality of correspondence courses, a strong point must be made for its cost-effectiveness.

Correspondence courses cost considerably less than equivalent resident courses, as demonstrated by a 1980 survey of the National Center for Education Statistics. This results in a substantial savings to taxpayers and to the Federal Government.

Further, correspondence students are reimbursed only 70 percent of their total tuition on a strict pro rata formula, based on lessons completed. They do not receive monthly stipends as in the case of resident schools. The Veterans' Administration does not face the normal problems associated with loss of money for failure to pay.

The discriminating aspects of this 70 percent provision are apparent in requiring GI bill students today to pay 30 percent of their tuition out of their own pockets. To reemphasize Mr. Lee Hughes' comments, correspondence courses, sponsored by the military services, have become a primary method of education.

It is, indeed, a way of life in the military today. Upon discharge, military personnel expect and deserve a right to further education by the correspondence method. Now the primary argument against correspondence courses in past years was that veterans often enrolled for avocational purposes.

There may have been some validity to this argument in the late 1950's and through the 1960's, however, since that time, in order to maintain VA eligibility, participating correspondence schools have been required to demonstrate that a minimum of 50 percent of graduates must be employed in the field for which they were trained.

Clearly, this is the acid test for any educational institution. In the case of our own school we can clearly show that the employment rate for graduates of our electronic program is 85 percent. Air-conditioning, refrigeration, and heating programs, 84.8 percent; automotive servicing, 76.4 percent; electrical appliance servicing, 66.5 percent; and we could go on. To further illustrate the effectiveness of correspondence training we retained an independent consulting firm to study the relevancy of correspondence training in a particular career field—TV and audio technician. This study revealed that 44 percent of all full-time technicians had taken correspondence courses and 85 percent would actually recommend correspondence training in the technical career field.

Next time your own TV or stereo needs repair, you might ask the technician how and where he or she obtained their training. This is a rather amazing contribution of the correspondence schooling method to a specific career field, and there are numerous others.

It is unrealistic to believe that correspondence students are any less career-motivated than students in resident schools. The employment record of graduates in research data obtained through nonbiased sources supports this fact. I urge that the correspondence schools be specifically included in H.R. 1400.

Further, at a time when the reindustrialization of America has become a critical issue, it is imperative that correspondence schools remain in the present GI bill. To do otherwise could well deny educational benefits to one-third or more of the active duty people who plan to use these benefits under the bill in future years.

Thank you.

Mr. **Edgar**. Thank you very much for your statement. I appreciate the concise way in which you presented it.

[The prepared statement of Mr. Thompson appears on p. 210.]

Mr. **Edgar**. I yield to my colleague from Massachusetts, Mrs. Heckler.

Mrs. **Heckler**. I would like to ask you what you feel the main benefits of the correspondence courses are to the Marine Corps. How are the courses made effective, and is the question of the serving of the avocations of servicemen a valid criticism of the Marine system?

Mr. **Hughes**. Mrs. Heckler, the question about how are they used and how they are developed, they're developed here in Washington by our people who have all been teachers in formal schools. These are Marine staff NCO's who are writers, helped by civilian education specialists.

We have about 122,000 marines enrolled today in correspondence courses.

Mrs. **Heckler**. 122,000?

Mr. **Hughes**. 122,000, yes. They're used aboard aircraft carriers, for example, and at all times we have a battalion of marines who float in the Mediterranean. They take about 2,000 courses with them when they go afloat for about 6 months.

I mentioned the embassies and various types of duties. Some of our formal schools use our courses as part of their curriculum, to study materials that are already prepared and they fit into the curriculum, so they're used in many ways.

The last part of your question about the avocation, you'll have to——

Mrs. **Heckler**. I can see the value of the courses, especially with certain types of duty assignments. What about the efficacy of the courses?

Mr. **Hughes**. First of all, there are only 187,000 marines. We have 122,000 people enrolled in correspondence courses, most of which are marines. We have about 1,200 other services. Last year we completed 86,000 marines completed courses, with continued enrollments like that, it was somewhere around 85 percent completion rate.

I think with numbers like that, sheer numbers, and the use of our program, the emphasis placed by the Inspector General and the Commandant of the Marine Corps, who insists that he wants at least a 90 percent completion rate, I think that this is testimony for what the Marine Corps thinks of the correspondence training.

Mrs. **Heckler**. What do you mean by a 90-percent completion rate?

Mr. **Hughes**. Of the people who——

Mrs. **Heckler**. Who begin the courses, 90 percent?

Mr. **Hughes**. Yes, well some of the disenrollments, for example, are people who get out of the Marine Corps before they have finished and they're not counted in this rate.

Mrs. **Heckler**. Is the involvement in correspondence courses and successful conclusion thereof a factor in the promotion of marines?

Mr. **Hughes**. Yes, it is. The Marine Corps promotes junior enlisted people on what is called composite scores, which are made up of points awarded by your time in service, time in grade, your rifle range scores, your physical fitness test, and so forth.

You can earn up to 50 points added to this score by taking correspondence courses.

Mrs. **Heckler**. Mr. Chairman, I would like to ask unanimous consent to have the three witnesses submit a catalog of the names of programs that are included in their correspondence courses.

Mr. **Edgar**. Without objection, if you could provide that for the record, it would be helpful.

Mr. **Ehrlich**. Would you also like, as part of National Home Study Council, we accredit the Air Force as well as the U.S. Army. We'd be glad to submit those.

Mrs. **Heckler**. Yes, all three.

Mr. **Edgar**. We'd like that material as part of the record. If it is too extensive it will be part of the file, rather than part of the record, so I hope you will understand the need to save a little time and some money in putting it in the actual record of this hearing, but we would like to have that catalog of courses.[1]

Mrs. **Heckler**. Mr. Chairman, I would like to have the information available without increasing the printing cost to the Congress.

Mr. **Edgar**. Would you also make a copy of that available to Mrs. Heckler's office, because I noticed when we asked unanimous consent for things like that to happen, you go about doing a very good job of getting it to the committee, but we go on to other things.

It would be helpful when requests like that are made, if it goes right to the Congressperson as well.

Mr. **Ehrlich**. Be happy to.

Mr. **Edgar**. My colleague from Oregon, Mr. Smith?

Mr. **Smith**. Back on my question about what would you think of restricting to enlisted people only the benefits of the new benefit, realizing that our goal here is retention more than recruitment, at least in my estimation, and in looking at the problem with the midcareer NCO.

What would be a comment or two about that?

Mr. **Thompson**. Well, we don't see the direct relevancy. Now, there are many students of correspondence schools, who are pursuing career courses, to re-enter civilian life after retirement. That includes enlisted as well as officer personnel and CO's.

Now in the case of those on active duty who are upgrading skills, when you look at the variety that 600 or 700 courses are currently available in business administration, ranging all the way down to lower level vocational programs, there is something for everyone at the officer level, NCO or enlisted man.

I am not sure that that restriction would be the best route to follow in the case of correspondence schools.

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[1] Retained in committee files.

Mr. HUGHES. I would answer, just from the association with the Marine Corps and military, that in the Marine Corps a master's degree for an officer is becoming more and more important, for example, the colonel selection board of the Marine Corps was just announced this week.

In the breakdown over half of the people selected for colonel had master's degrees, and there were several doctorates. As it is becoming more competitive and master's degrees are needed, people will take this option and use it, so I don't think it is right to exclude them from this.

We asked them to come in with a bachelor's degree because they are asked to perform more responsible—jobs with more responsibility and authority, and I can't see cutting them off.

Mr. SMITH. Basically, though, in the officer corps you're talking about people who are receiving service, you mean they're using your services, your educational benefits while they're on active duty not afterwards, right?

Mr. HUGHES. Right. They're using both the GI bill, degree programs where they are released from active duty to go—but many of them are using the GI bill.

Mr. SMITH. What do you feel about the leave of absence provision for those on active duty? Obviously, I would hope it would be paid for by somebody else rather than Veterans' Administration, but what do you figure that enters into the total educational picture for the service people?

Mr. HUGHES. I am not——

Mr. SMITH. Well, there has been some testimony today that this is a very good program, and that it does allow education, while on active duty, and allows the retention. I am still worried about the retention problem we've got here.

Mr. HUGHES. If they have to sign up for so many years to return to the Service for the time of their being on leave of absence.

Mr. SMITH. That is probably right. No further questions, Mr. Chairman.

Mr. EDGAR. Thank you very much. I have no questions for you at this time. I appreciate your testimony.

Mr. HUGHES. Thank you, sir.

Mr. EDGAR. Our next witness will be Brig. Gen. J. Donald Hittle, retired of the Marine Corps.

Thank you very much for your patience this morning and for coming and sitting and listening through the other witnesses. We look forward to hearing your statement. Your complete statement will be made a part of the record.[1] We hope that you would summarize, given the large issues that we've raised and focus on the issue that you're concerned about.

STATEMENT OF BRIG. GEN. J. DONALD HITTLE, U.S. MARINE CORPS (RET.)

General HITTLE. Mr. Chairman, I might say that, recognizing the virtues of brevity, particularly at this hour of the day, my summary is also my full statement.

Mr. EDGAR. Very good.

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[1] See p. 221.

General HITTLE. My name is James D. Hittle. I am a retired Brigadier General of the Marine Corps, and I want to emphasize that I am appearing here at your invitation as a private citizen, and not representing any corporation. My interest in the subject you are considering goes back many years. At the present time I am a consultant and a nonpaid one to the Commandant of the Marine Corps for equal opportunity and related personnel matters.

In this capacity, I visit major Marine Corps bases at which I meet, over a period of 2 or 3 days, with a small group of officer and enlisted personnel. My conclusions on military education legislation are based on my interest in military personnel matters and on my informal discussions with these groups.

Briefly here are my conclusions: Our Armed Forces today are faced with two big personnel problems. First, the failure to attract into service enough people of high mental standards; and second, the failure to retain in service enough of those who do meet these standards.

I firmly believe that a new GI bill could help solve, and I emphasize "help" solve, these dual problems. but it must be the right kind of a GI bill. As I see it, here, in brief, what is needed in a new GI bill.

The serviceman should not have to leave the Service, as in the past, to use his full-time educational entitlements. They should be available to him even after a service career. The entitlements should be transferrable to either the spouse or the child.

The retention problem would be alleviated by making the transfer available only after a fixed number of years of service. Sixteen years would seem to be a reasonable figure.

To avoid the rare abuse of transfer rights, instant children by last minute adoption should be disqualified. A reasonable safeguard provision would require legal child status for about 2 years in order to benefit from the transfer rights.

Educational transfer rights would be accurately tuned to one of the most serious problems facing the service family today, the high cost of college education. In spite of the recent and projected pay and allowance increases, most service families are still barely able to keep up with the cost of everyday living.

To save out of current income enough for a child's college education surely isn't possible for the average service family. Yet, for most servicemen, like most civilians, their hope and ambition is to see a child through college.

A 16-year transfer requirement would clearly, and firmly, require a career commitment in return for a Government-paid college education for a serviceman's child. It is not only fair to the Government and the individual, but it could well be, in view of the exodus of expensively trained officers, NCO's and petty officers from the service, to be one of the best dollars and cents investments from the Government's standpoint.

In short, I firmly believe a new GI bill would help attract people with higher mental standards into service, and with transfer rights it would be a powerful reason for many of them staying in the Service. Thus it would meet, to a significant degree, the present need to get such people into service, and then getting them to stay in service.

In my recent discussions with junior officers and enlisteds, I found them intensely interested in such educational transfer entitlement. Those with families said it would be a major factor in deciding to go for 20 or more. The reaction was pretty well summed up when a Marine sergeant said, almost in amazement during the discussion, "Do you mean that if I go for career, I could put my daughter through college?"

That, in itself, tells why Congress, I believe, should pass a GI bill with transfer rights.

Thank you.

Mr. **Edgar**. Thank you very much for your statement.

I yield to my colleague from Massachusetts, Mrs. Heckler.

Mrs. **Heckler**. General, I am very impressed that you had to mention a daughter, so you have certainly made a favorable impression on this member of the committee.

Your testimony was excellent also.

Mr. **Edgar**. I yield to my colleague from Oregon, Mr. Smith.

Mr. **Smith**. General, what if you had said "daughters"? How do you decide how these benefits go to more than one child in the family, and what if the sergeant had half a dozen children?

General **Hittle**. He could divide it up. I would assume, whatever the wish of the committee would be, whether it had to go to a complete entitlement for one or if he had four, give each one of them, 1 year of college. It is his entitlement, and it should be his decision. That would be my conclusion to it.

Mr. **Smith**. We aren't left with the wisdom of Solomon decision. I think that is what we're concerned with.

General **Hittle**. I think the decision should probably be in the hands of the person who earns the entitlement.

Mr. **Smith**. Probably so, but I can see some difficulty if you did have differences there, and the entitlement is only one time obviously. What about the spouse?

General **Hittle**. He'd have to make the decision if his wife wanted the education——

Mr. **Smith**. No, do you feel that there should be for spouse also or only for children?

General **Hittle**. Yes, I really think so, because looking back on a service career, we often use the term in the service, "a service family". That is a pretty accurate conclusion, because the whole package of service life for the man who wears the uniform also involves his family, and they take a pretty severe buffeting around at times in their lives, and they don't live a civilian way of life.

In a real sense a woman who puts up with 20 years of service life of getting the roof patched the lawns mowed, the kids to the hospital while her husband is on a 6-month deployment, she's contributed to national security, and I think she earned it.

Mr. **Smith**. Thank you, General.

Mr. **Edgar**. Thank you. Mr. Smith and Mrs. Heckler. General Hittle has a wide range of experience, and you have been involved in personnel problems and programs for many years. You were Assistant Secretary of the Navy for Manpower and Reserve Affairs for a period of time and consultant to congressional committees such as the Armed Services Committee.

In your opinion, would the All-Volunteer Force have been successful if the GI bill had not been terminated?

General HITTLE. I hesitate to quibble on points. I think that the All-Volunteer Force, Mr. Chairman, is still subject to doubt as to its successfulness. I think that it would have been, in a relative sense, more successful had the bill been continued, but I do think that one of the errors in the bill from the standpoint of retention was that there were cutoff dates, and that the serviceman had to, in a sense, go out of the service to get his full entitlement.

I think that is one of the most important things this committee could do is assure that a career commitment could be made and then the entitlement could be used. I think there is one other thing, just in passing here, after talking to a number of these groups, that I would like to mention.

That is that there is a grave concern and worry on the part of some of your middle and senior NCO's today, who have accumulated their entitlements, and they're looking ahead to that, I think it is 1989, cutoff date.

Some of them even mentioned whether or not they could, in good conscience, reenlist or whether they should go out in order to take their entitlement. So that should be a worry that should be alleviated at the earliest possible legislative opportunity.

Mr. EDGAR. This legislation will alleviate that pressure to a large extent, but I appreciate the pressure that the 1989 deadline provides. We're looking at that—we think this legislation would, as it incorporates the provisions of education, to supersede that arbitrary date of 1989, but we'll carefully look at that before we pass any legislation.

General HITTLE. That should be a message that should be put out to the troops as soon as possible.

Mr. EDGAR. I appreciate that. Are there any other questions?

Mrs. HECKLER. Yes. General, you know this legislation would be prospective when passed. It would have an effect on those coming into the service after the period of the bill. What about the existing NCO's, for example?

General HITTLE. I don't see any advantage in excluding, if I understand you correctly, Mrs. Heckler, those who are in service. I think that your big problem is retaining—one of the aspects of the big problem is retaining in service today those who are in, and I certainly would include them as I see it in the entitlement if they go ahead and have been in long enough to earn them.

That won't affect your course—it won't affect your recruitment, that aspect of it, but this is the two-sided problem that is really indivisible, the recruitment and retention problem.

Mrs. HECKLER. One of the things that does affect very dramatically is the cost of the bill.

General HITTLE. Well, the way I look at the GI bill and also the transferable rights, it is something that accrues as a benefit only after it is earned. That earning is the dividend to national security to this country, so it is not a prospective payment in advance for something that is not received. It is an earned thing.

Then the dividends are already being realized by the country.

Mrs. **Heckler**. You talked about career commitment. Are you satisfied with the provisions of the bill in terms of length of service that would be required for entitlement? Is that a sufficient career commitment or would there be a better way to achieve a career commitment through this bill?

General **Hittle**. My preference would be to lean toward a longer requirement on accumulation of your entitlement.

Mrs. **Heckler**. How many years, General, would you say?

General **Hittle**. I would be reluctant to give you a figure right now, without going into details of the bill, Mrs. Heckler, but in principle to lean toward the longer entitlement. After all, it is a real golden apple for the person in the service, and you might just as well hold it out and make the earning of it as part of the package.

Mrs. **Heckler**. There was a suggestion that there be a partial—entitlement to partial benefits after *x* number of years and an entitlement to full benefits following that. That might be a good way to address the point you're making.

General **Hittle**. Well, you could divide it up in a number of ways, but the one thing to avoid in it is making some kind of an entitlement differentiation that would nudge the person out of the service. The whole idea is to keep them in.

Mrs. **Heckler**. You know that the bill creates the entitlement in those areas of critical specialties—critical skills, not to all servicemen in general.

General **Hittle**. I would like to address that question for just a minute. Having dealt to some degree during my service and afterwards with this whole problem of retention of your specialist, I recognize that as a very, very high priority item.

But if the philosophy is to give it for military service then those known—no one in military service should be excluded, in my opinion. Those who take the oath and do their job are the ones that are entitled to it. If we don't do that, pretty soon, we're going to reach the point where the guy with the rifle and everybody exists to get him to do his job, he's going to be the only person who doesn't get some of these entitlements.

Mrs. **Heckler**. General, this question has come up a great deal in our testimony. One of the rebuttals raised on the point you made is that there is already a tradition in the service of giving bonuses to people in critical areas, so that the differentiation of benefits already exists.

I am afraid we could not fund a bill that would provide all these benefits for everyone. It is tradition. Do you agree that the tradition of the designation of critical skills and special bonuses already provided create a tradition that—a precedent for the kind of benefits that this particular bill also would provide?

General **Hittle**. I think that the system of your bonuses for specified skills is a wise one and a necessary one under our manpower problems. I think that it is an argument in itself for including into the benefit of a GI bill everybody in uniform who does his job properly, because there are two different things involved in this, as I see it, Mrs. Heckler.

One is that your bonus for specified skills is targeted to specific problems. Your GI educational benefits should encompass those who are in service. That would be if—if it didn't you are simply tagging on another type of bonus under a different type of title.

Mrs. **Heckler**. Well, General, I would like to pursue one other issue, because you're so knowledgeable in so many subjects. I would like to have your perspective on the role of women in the military today.

General **Hittle**. The what?

Mrs. **Heckler**. The role of women in the military. How do you assess their role, what is their future? Just speak from the heart, and from your experience.

General **Hittle**. There is a necessary place in the military for women. They have done, and they continue to do, a necessary and a valuable job for the military. There reaches a point, I firmly believe, at which the numbers in the military, as far as women are concerned, become a matter of increasing concern in two respects.

The first is that I am a firm believer there is no place in combat for women. The women to whom I make this statement disagree with me. I say that I don't think anybody should say there is a place in combat for women until they have spent some time in combat in the front line, battle aid station.

That will give them a sense of reality in which to evaluate their position. The second thing is that if women are not to be in combat, and I don't believe they should be, an increasing number eventually impinges and adversely impacts upon the rotation of your combat personnel, your men into stateside billet on rotation, particularly in times of overseas emergency and large overseas deployment.

Mrs. **Heckler**. What about women who choose to volunteer for combat? I assume that you would not consider them satisfactory either?

General **Hittle**. I would include them in the same group. I don't think there is a place in combat under our sense of civilization and under the conditions of combat, I think many of us who have been in combat have seen it. There is no place for women in it.

Mrs. **Heckler**. As I recall, the general statistics on the ratio of support personnel to combat personnel is generally about 9 to 1. So nine positions in the military are needed to support the one person in combat. Is that correct?

General **Hittle**. It is in some people's philosophy, Mrs. Heckler, and the Marine Corps philosophy is somewhere less than that. There are not so many people behind the gun in the Marine Corps philosophy, if I may be parochial. There are more people with the gun in proportion.

Mrs. **Heckler**. How would you assess the role of women and the performance of women in the military today?

General **Hittle**. Necessary, extremely valuable. On the basis of my meeting with groups of junior, senior, enlisted, women officers, throughout the Marine Corps, and on my capacity as a consultant to the Commandant, I would say they are a high type of citizen. They are doing a skilled professional job, and they're held in high regard by the men.

Mrs. **Heckler**. Well, we're grateful for those words. Thank you.

Mr. **Edgar**. Before you leave, just for the record I would like to share a personal view, and that is that I would only support returning to a draft if it was universal, and if it included men and women equally.

I think with equal rights comes equal responsibilities. I think there are some pretty weak men, some pretty noncourageous men. There are some men who can't handle combat pressures, and there are some pretty courageous men and women who do handle the defense of our Nation and can handle it.

In combat relationships if a woman is flying an airplane and dropping bombs or bullets, and a man is flying an airplane dropping bombs and bullets, the impact of those bombs and bullets are equal. I know we may have a difference of opinion among each other and among our colleagues, and there are probably very few Members of Congress who would support women in the front lines, but it has been my experience and my feeling that women and men ought to serve equally and have an equal responsibility in defense of their Nation.

In some instances, the gender or the condition of male or female should not be considered.

That is for another day's discussion.

General Hittle. I certainly respect your opinion on that and the philosophy you've expressed, I would concur with it. It is only in its ultimate practical application of which I think our views would diverge.

Mr. Edgar. I respect that.

Mrs. Heckler. Will the gentleman yield?

Mr. Edgar. My colleague from Massachusetts.

Mrs. Heckler. I would just like to state for the record that women do not have equal rights at this point.

General Hittle. Mrs. Heckler, that is one question I am not prepared to testify on.

Mrs. Heckler. Nor is a response required, but I would say that the preconditioning of responsibilities on rights presupposes the rights, if the rights exist. That is not the current state-of-affairs.

Mr. Edgar. That is correct, and that is why my colleague knows I support the equal rights amendment, and think that it should have been in place 20 years ago, and that we are Neanderthal in not putting it in place. With equal rights comes equal responsibility.

Thank you for your statement. You have been very helpful.

General Hittle. Thank you, Mr. Chairman.

[The prepared statement of General Hittle appears on p. 221.]

Mr. Edgar. My next set of witnesses will be Mr. Robert W. Nolan, Fleet Reserve Association, Mrs. Rosemary Locke, National Military Wives Association, Mr. Max J. Beilke, National Association for Uniformed Services and Mr. Donald L. Harlow, Air Force Sergeants Association.

STATEMENT OF ROBERT W. NOLAN, NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION

Mr. Nolan. Thank you, Mr. Chairman. I believe my testimony today is rather unique among that which you are receiving. That is because it is based entirely upon the views expressed by 39 active duty personnel representing approximately 200,000 of their contemporaries in the military commands, homeported or stationed in the greater San Diego, Calif. area.

The 39 active duty members appeared before the GI Bill Forum last Saturday, March 21, in San Diego. As you learned this morning from Congressman Hunter, it was cosponsored by the Congressman and the Fleet Reserve Association. The witnesses ranged from pay grades E-4 with 3 years of service to an E-9 with 30 years of service.

Twenty-four were Navy, twelve were Marines, two were Coast Guard and one was an Army recruiter. In almost every case, each witness was serving as the spokesman for his contemporaries, expressing the views of a ship's crew, an air wing, or the personnel of a Naval, Marine, or Coast Guard command.

I will skip the point on the preparation for the forum. Starting off the summation of the testimony, the veterans education assistance program, VEAP, is considered to be, by that group, a dismal failure as an educational incentive plan.

They did not believe its latest improvements would improve its acceptability with the service personnel. One gentleman referred to those improvements as a band-aid approach. They set the percentage of those who complete, and one gentleman made a point to tell us to disregard the statistics that we received from the services about how many people entered the program, what counts is how many stay in the program and take advantage of it.

Their estimate range was 5 percent. All 39 witnesses fully supported an educational benefits incentive program based on a two-tiered concept, which would apply to: First, all who remain in or enter the Armed Forces and complete a minimum of one enlistment of honorable service and is eligible for reenlistment.

Second, the exception to the reenlistment eligibility would be for those released for military disability with an honorable discharge.

Third, they felt it equitable and absolutely necessary to provide education benefits to persons serving a combination of active duty and Selected Reserve or National Guard service under lengthier terms, but to assure Reserve and Guard personnel a college education.

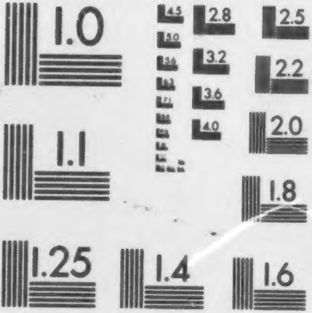
Fourth, they are absolutely opposed to granting benefits to persons separated administratively under honorable conditions or dishonorably discharged.

Fifth, the witnesses were unanimous that the new law should have a stipulated limiting date after the service member's last discharge or release from active duty.

Sixth, the witnesses were unanimous that those service members who are qualified under the cold war GI bill and subsequently qualify under the new law have the option of electing benefits under one of the two laws.

The overwhelming majority recommended and supported a noncontributory plan. They were adamantly opposed to linking education benefits to military skills. They said critical skill retention can be achieved more economically by other means causing less dissension in the ranks.

The vast majority believed that maximum benefits should be earned in 8 years of service. All witnesses were in agreement that any program should be monitored accurately to assure the individ-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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

uals are receiving an education, thus, preserving the program's integrity.

All witnesses agreed that in-service GI bill benefits should be paid in the same manner and amounts as is paid to the discharged veterans. The overwhelming majority of witnesses testified there would be no real retention incentive without the transferability option.

All witnesses felt that the option of transferability should be left to the service member alone and not to the respective local courts. All witnesses were of the opinion the transferability option should be earned only after 10 years of service.

Every witness stressed the value of education benefits as a viable means to attract and retain personnel for our Armed Forces. They expressed the opinion there is nothing wrong with offering young Americans an education in exchange for military service.

Indeed, some stated this would enhance the military in the eyes of the American public, as well as enhancing the military. For all of these reasons, the Fleet Reserve Association subscribes to the majority views expressed at the GI Bill Forum, and will actively support the enactment of an educational benefits incentive program that embraces the provisions recommended at the GI Bill Forum.

Mr. Chairman, I thank you.

[The prepared statement of Mr. Nolan appears on p. 224.]

Mr. **Edgar**. Thank you very much. The Fleet Reserve Association has made a major contribution to these hearings, not only with your testimony, but with the Congressman Hunter's testimony earlier. We appreciate the work that you've done, and as we indicated earlier, we'd like some additional data from your workshop and seminar.

Perhaps it would make sense to have similar kinds of inquiry across the country on other issues as it relates to the military.

Mr. **Nolan**. We have verbatim taping of the entire day's proceeding.

Mr. **Edgar**. We appreciate your leadership. We'll make that a part of the file and what is appropriate, we'll make a part of the record.

Mrs. Rosemary Locke, of the National Military Wives Association is here today. We appreciate your patience in coming, and look forward to hearing from you and your testimony. If you could summarize your remarks it would be very helpful.

STATEMENT OF ROSEMARY LOCKE, PRESIDENT, NATIONAL MILITARY WIVES ASSOCIATION

Mrs. **Locke**. Thank you, I will. After attending your veterans educational assistance hearing I can appreciate the complexity of subject. If the legislation is designed to recruit and retain a career military force, then the National Military Wives Association strongly supports it, and believes that some form of transferability to spouse and children is essential.

While it is usually true that the military recruits a single person, the majority of members who reenlist or remain are married. Of the total force including recruits over 55 percent are married. Both Air Force and Navy studies show that spousal support of the military career played a significant role in the service member's decision to remain in uniform.

Married Navy men achieved promotion more rapidly, the study concluded, and the family does seem to contribute to instead of detract from a Navy member's performance. But what about today's service family? Certainly the military community is appreciative of the improvements which came from the Nunn-Warner bill and fair benefits package.

Still, many of our families are struggling just to meet daily living expenses. Military mobility compounds our problems. Each year military families spend over $1 billion out of their own pockets for authorized moves. This can cost a family of four at least $1,400 for a cross-country move and they will be asked to move on the average of every 2½ years.

To help supplement the family's income, more military wives are working outside the home, but here again the military family comes up short. DOD figures show that military wives consistently earn less than their civilian counterparts and their unemployment rates are double.

The wife who wishes to continue her education is either faced with paying expensive out-of-state tuition or meeting residency requirements in the State to which her husband is assigned. Often there is not enough time to complete a degree before her husband is reassigned.

Children probably pay the highest toll in this mobility. Not only must they leave behind the familiarity of home and friends, but they must conform to teaching methods which may vary dramatically from State to State. Possibly it is just because of these difficulties that military people are so family-oriented.

They have a strong desire to provide a good education for their children, and despite moves, work tirelessly with teachers in school to help their children excel. However, many families have been discouraged to find that despite high test scores achieved by their youngsters, few scholarships are available to them, yet classmates with similar scores are eligible for scholarships because their parents work for companies offering scholarships to employees' dependent children.

What does that military parent do when faced with the painful decision of remaining in the service, which may allow him little opportunity to assist in his children's college education, or leaving for a higher paying civilian job, which will enable him to provide a better life for his family.

Many make that painful decision—they leave. It is difficult to disagree with their decision. However, it does have a demoralizing effect on the remaining military community to see these midlevel leaders leaving in order to take care of family obligations.

For those families who remain in service, providing a college education for their children can be extremely difficult. Again, mobility and financial considerations compound the situation. Transferability would provide the career military member and his family options.

It would say, "You have earned this benefit, and you may use it as you choose." It would be a positive statement to the military family that their contributions to the Nation are acknowledged and appreciated. It would enable the member to remain serving his country and yet meet a most important responsibility to his family, the education of his children.

We are opposed to a transferability limited to just those dependents of service members with critical skills. That would reduce the morale of the military community, because it would be perceived that some dependents would be receiving preferential benefits. We also favor transferability at the 10-year point.

The 8- to 10-year point is a critical period in the family's decision to remain or leave military service, a time in which the realities of military life are most evident: Imposed mobility, frequent separations and comparatively low pay.

Transferability at that point would be attainable. A wife might complete her education, increase her earning capacity, and thereby improve the family's circumstances. The service member would have already contributed at least 2½ years for each school year earned.

Finally, if the legislation is aimed at retention of careerists, the benefit must truly be available to him. All too often, benefits such as 30 days leave, free medical care, and space available travel are advertized, yet the careerist is not able to take full advantage of them.

Transferability would make that legislation a reality, not an empty enticement. I would very much like to commend this committee on its willingness to hold hearings in the military community. It affords the service members a rare opportunity for expressing their views on legislation which is of vital importance to them.

I also wish to express the gratitude of the National Military Wives Association for providing us the opportunity to express our opinions on this very important legislation.

Thank you.

Mr. Edgar. I want to thank you for coming and testifying. Your statement has particular interest to both of us who are here in terms of its depth and knowledge and its firsthand experience with raising children, and we appreciate your contribution.

[The prepared statement of Mrs. Locke appears on p. 236.]

Mr. Edgar. Our next witness will be from the National Association for Uniformed Services.

STATEMENT OF MAX J. BEILKE, LEGISLATIVE COUNSEL, THE NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

Mr. Beilke. Thank you, Mr. Chairman. I am Max J. Beilke, legislative counsel for the National Association for Uniformed Services. For the record I would like to make one change to my written testimony. On page 8, third line from the bottom, I would like to add the word "not" so that that sentence reads, "They will still be short tomorrow, because we cannot fill these vacancies overnight."

Mr. Edgar. Without objection, so ordered.

Mr. Beilke. Thank you. The support these last 4 days demonstrated for a veterans' education program, clearly indicates its importance. The need for such legislation is without question. The only question lies in the provisions of such a program.

While we urge enactment of legislation as soon as possible, NAUS does not wish that caution be thrown to the wind. This legislation is important, but it is even more important that the Congress enact a program that meets its intent and one that can stand without immediate change.

It is from this viewpoint that NAUS raised the questions outlined in our written testimony. Transferability raises many questions, and NAUS also fears for its out-year costs. Under the current GI bill, approximately two-thirds of the eligible veterans use about one-third of their maximum benefits.

It was brought out in testimony yesterday that the cost of the old GI bill was too high, and that is why it was discontinued. Transferability increases the costs of the new GI bill. It is possible in 7, 11, or 15 years from today that another Mr. Reagan or another Mr. Stockman will come to town and cite this cost for dependent education as an excellent place to cut the budget.

If that happens veterans will consider it as another loss or erosion of benefits. Additionally, by the time these dependents are old enough to use their transfer benefits, they're also old enough to earn their own benefits through military service.

As a beneficiary of the Korean and Vietnam GI education program, I can testify to what it has meant to me personally. Using the in-service GI bill, I attained a BA degree from the University of Maryland. After retiring from the military, I used it to get a master's degree from Central Michigan University.

The Government has spent about $10,000 on my education. I have, however, still 16½ months of eligibility left, which I don't plan to use. If I were to transfer that to one of my dependents, I am wondering if that is the real intent of the GI bill. From time to time during the last 3 days of testimony, the term "critical skill" has come up.

What hasn't come up is the clear concise definition of a critical skill. In the last few days I have asked different military people what a critical skill is, and I have received about five different answers. Without a clear, concise definition transferability allocated by Service Secretaries to certain critical skills will cause problems, and just before I close, Mr. Chairman, if I may, give you some sort of an idea on what recruiters are up against out there in the field today. In the early 1970's my military position put me in contact with our Armed Forces examining and entrance stations.

We had problems with draftees at that time, and let me just quote you some figures. The Selective Service knew that there would be about a 20-percent shortfall of people showing up for the examining station, which means that their quota was 80 for a certain day, they'd better call 100 in order to have their quota filled.

When we brought these people in for physical examinations, the national average, 54 percent of these people were disqualified mentally or physically. When they come in for their induction physical, at the time we were to induct them, we disqualified nationally another 27 percent for reasons we did not find the first time.

Of those that were fully qualified, 6 percent refused induction, and after they were in the service, another 2 percent were discharged within 60 days for physical and mental reasons we did not find at the exams. When you take a look at these numbers, and bring them forward to today, of the number of qualified people, our recruiters have a rough job.

They need everything they got and that Congress can give them, to get people into our military. That concludes my remarks, Mr. Chairman. Thank you very much.

[The prepared statement of Mr. Beilke appears on p. 240.]

Mr. **Edgar**. Thank you very much for your comments. I am glad we separated you from Mrs. Locke, who had somewhat different comments on the transferability question.

Mr. **Beilke**. Well, I am sorry that Mrs. Heckler has left, because I wanted to assure her that having five sisters and no brothers, two daughters and no sons, my chauvinistic tendencies still show once in a while, but it is not because of my sisters and daughters have not tried to get it out of me.

Mr. **Edgar**. I appreciate the strain you're operating under.

Mr. Harlow, we look forward to hearing your testimony. The Air Force has been particularly aggressive in its testimony last week, and this week, and we look forward to hearing your comments.

STATEMENT OF DONALD L. HARLOW, EXECUTIVE DIRECTOR, AIR FORCE SERGEANTS ASSOCIATION

Mr. **Harlow**. Thank you, Mr. Chairman. I want to compliment you and the members of your committee for having such thorough hearings on a very important subject. I am not going to read my testimony. I am going to just comment on a concern we have.

Certainly, as you stated so eloquently in your opening statement, what we are trying to obtain and the objective we're trying to reach is to come up with a bill that will not only attract, but will retain the type of people we need for our armed services. However, our concern has been for some time, and I would just like to read an article from the Associated Press:

> The Education Secretary, Terrell H. Bell, has ordered the elimination of jobs of almost three-fourths of the 955 bureaucrats who collect the faulted loans from students, turning their duties over to private loan collectors.

He said:

> In the past 4 years nearly 90 percent of a backlog of 600,000 defaulted guaranteed student loan cases have been resolved, and that our collectors have returned more than $1 of every $3 of cost to the taxpayer.

It goes on to say that some $2.2 billion in student loans are delinquent or in default since 1958. The point I am trying to get across, Mr. Chairman, is the fact that the Congress is probably going to struggle over the amount of money that any new educational bill may cost for our military people.

I think it behoves this Congress to look at our priorities, and see where we're putting our money, and what we're getting for return in defense of our great Nation. As I said before, there has been much said. I am going to conclude my statement in the interest of time, and I thank you for the opportunity to be here.

[The prepared statement of Mr. Harlow appears on p. 249.]

Mr. **Edgar**. I thank you for your statement. You raise an issue that is critically important, and that is the issue of cost saving, and trying to make a system of educational benefits, where we don't have the default rate that had occurred in some instances in the past.

Hopefully we can learn from our experience, coupled by the article that you've shared with us and you've read. All of you have made contributions to this legislation, and because we have been under the influence of 4 full days with over 50 witnesses, we have asked most of the questions and zeroed in on most of the issues, prior to your coming here.

That is not to say that we don't need your contribution in shaping this legislation, because all legislation is a result of compromise and putting the pieces in the right place. I want to thank you for coming and testifying, and particularly thank those of you who speak from your own experience.

I would like the remainder of the witnesses to come forward recognizing they don't all speak the same message, but Thomas Bonner is president of Wayne State University, and he is speaking for the National Association of State Universities and Land Grant Colleges.

He is accompanied by Dr. Robert Gluckstern, chancellor of the University of Maryland, and also Ms. Mary Ann Kirk, Center for Citizenship Education, and Mr. Wade Wilson, American Association of State Colleges and Universities, and president of Cheyney College.

I feel like some effort should be made to pronounce a benediction in the sense that you're the last set of witnesses, but I think you have had the opportunity today to listen to a number of witnesses, who focused on this issue, and you bring unique experience. Mr. Wade Wilson is a personal friend of long standing, and has worked very hard in this area.

You all have important positions within universities and colleges, and I am interested in hearing about the Center for Citizenship Education. I apologize for putting you on late and also apologize for putting you under the pressure of time. Let's hear first from Mr. Bonner, and we'll proceed to the other witnesses.

STATEMENT OF THOMAS BONNER, PRESIDENT, WAYNE STATE UNIVERSITY

Mr. **Bonner**. Mr. Chairman, because of the delay this morning, I have had an opportunity to listen to a number of the others who have testified here, and I want to say how impressed I am with the testimony and with the questioning by members of the committee, and I believe it will result in a stronger bill than was originally introduced.

I am speaking today for the National Association of State Universities and Land Grant Colleges. I also represent a university, Wayne State University, that has had perhaps the largest number of veterans enrolled on the campus in recent years, reaching a peak of nearly 6,000 veterans in 1975.

The reinstatement of the GI bill is important, I think, both professionally and to me personally. As president of this University with some 33,000 students, I am strongly supportive of legislation that will enhance the ability of any important segment of our population to pursue higher education.

On the personal side, like many of those who testified, I am one of those who would not otherwise have been able to continue with their education without the GI bill. The World War II bill made it possible for me to complete my undergraduate work and a doctorate program at Northwestern University.

As you may know or be interested to know, educational historians have described the World War II Serviceman's Readjustment Act as probably the most important single piece of legislation affecting higher education in the 20th century, and rank it with the Morrill Act of 1862, and the National Defense Act of 1956 in the impact it has had, not just on those who took part, but on the shape of the curriculum, and the teaching, the expectations in higher education.

Clearly the Armed Forces have changed greatly since I left the service in 1946. They're increasingly becoming more and more dependent on highly trained technicians and specialists in order to be effective and operational and many of the new recruits have difficulty in mastering the fundamental skills that are needed to become competent technicians.

Additionally, as we've heard this morning, many highly trained service members are leaving the Armed Services either for better paying jobs in the private sector or for more attractive opportunities for advancement in that sector. A reasonable solution, it seems to me, is the kind of bill that is proposed here today.

Historically, education benefits are the best incentives for these purposes, better so than more pay and other benefits. I think, to be realistic that those benefits must be significant and they have to have a relatively short vestment period. Any period of vestment that extends beyond 3 years, would seem, from my experience, to lose its attractiveness to potential recruits.

While H.R. 1400 has a period of vestment of 3 years, it offers only a stipend of $250 per month for up to 36 months. The only schools it seems to me that would make financial sense for the recruit to attend under this program would be community colleges.

Under this bill a recruit would have to devote 6 years of his or her life in the armed services before he or she would be entitled to somewhat more significant benefits of $550 per month.

It is our understanding that one of the objectives of the bill is to provide an incentive to the population that is headed toward a 4-year college program. Consequently, in structuring the education benefits, the committee may want to consider seriously the cost of a college education today.

While a generous stipend per month is, I think, attractive, monthly payments are not timely for meeting tuition in most of our colleges and universities. We would suggest that the committee consider structuring the benefits to include the tuition component that was mentioned here by many persons earlier this morning.

Even at a public university like mine, the annual tuition rate is nearly $1,500 per year, for undergraduates, and is higher for graduate and professional students. A percentage of tuition formula that was proposed in another bill, it seems to me, is not the answer to the problem in that such a formula will tend to penalize those students who wish to attend public colleges and universities because they will not be able to enjoy the maximum benefits to which they're entitled.

I think that, in short, benefits that include a tuition component and a monthly stipend should prove to be attractive incentives for enlistment of individuals who are interested in a baccalaureate education. Then, as we heard earlier, I simply want to underscore the importance of taking into account the family responsibilities of members of the armed services as I have learned at Wayne, and from my own experience. Many of the thousands of veterans who have come through my University, have been forced to look for nontraditional approaches to college education which will allow them to pursue full-time employment.

We have had many, many veterans complete their degrees, while employed full time. The situation, I think, raises a couple of issues that the committee should confront in any GI legislation. First, the issue that many cannot complete the baccalaurate degree in 36 months, and second, the issue of what we at Wayne State have come to call "seat time".

It is increasingly common that persons do not complete bachelors programs in 36 months. The seat time problem has a very important impact for large universities in urban areas that are all innovative and trying to deal responsibly with the needs of veterans. We instituted at Wayne a weekend college program several years ago which was particularly aimed at and successful with our veteran population.

Instead of classes during the traditional day and early evening hours, weekend college offered a new approach that was planned around the working and domestic responsibilities of employed veterans.

This new approach ran into a huge snag in 1976 when the Veterans' Administration amended, suddenly, its regulation to require 12 class hours of what they called contact time, each and every week, not the total of hours which we met, but each and every week of the academic term in order for the veteran to receive full benefits.

Our program had been approved by all of the appropriate faculty committees and accrediting bodies, including the North Central Association. It was a devastating blow to many veterans, because it meant, in effect, that since the curriculum was concentrated in fewer sessions of longer duration, that those on the GI bill, though they were still able to continue in the program, received 30-percent less in benefits than they would otherwise have gotten.

We have challenged that in the courts and in other ways. We have good support from many Members of Congress, including Congressman Ford from the Detroit area, who has taken some leadership in this. Since this has happened it is clear, I think, that the VA will respond most readily to discretion and direction—discretionary language and direction from the Congress.

Consequently, we would recommend that language be included in the legislation that will allow an accredited institution to determine the amount of credit students should receive for the educational programs they follow. That, I understand, is the case with this legislation. The granting agency should not make that determination.

One final point on the issue of education benefits, I simply want to support those who have spoken here today in favor of a differential for those veterans with family obligations. I think it is very important that the committee, in its legislative intent, focus on the retention of persons in the service.

Whether it be through children, through education, or transferability to spouses, it seems to me that any liberalization along those lines is bound to be helpful. I found also from my own experience that a leave of absence for the service member himself can also work very effectively.

I happened to have as one of my own students some years ago, an Air Force master sergeant who, while on active duty, completed his Ph. D. in history, a field that would not normally be considered a critical skill, and for those in the armed services, but I think it set a very good example for many others.

Finally, it seems to me that I should say here, for the record, that in addressing this program, this issue, I want to make it clear that the education benefits of the bill should be an addition to and not instead of other student financial aid programs, particularly at this time, when in other hearing rooms this very day, some of those programs that are of immense importance to millions of young people are under serious threat.

Thank you.

Mr. **Edgar**. Thank you very much.

[The prepared statement of Mr. Bonner appears on p. 253.]

Mr. **Edgar**. Ms. Mary Ann Kirk is from the Center for Citizenship Education. We appreciate your coming this morning, and ask you to consolidate your testimony as well, so we can get to a couple of questions and then proceed.

STATEMENT OF MARY ANN KIRK, EXECUTIVE DIRECTOR, CENTER FOR CITIZENSHIP EDUCATION

Ms. **Kirk**. Thank you, Mr. Chairman. I appreciate this opportunity to testify on H.R. 1400. I am Mary Ann Kirk. I am executive director of the Center for Citizenship Education. It was formed to answer a growing need and concern for a reconcentrated effort to strengthen our schools and institutions, to educate a responsible citizenry in the context of a contemporary America.

The heart of our organization is the deep belief that all citizens must have access to positive, self-fulfilling citizenship experiences through education, participation, and service opportunities. We believe that the values of citizenship should be taught and should be lived.

The armed services had attempted to meet its manpower needs by offering itself as a competitive employer in a national job market system. The idea has been that the armed services will offer jobs that will appeal to jobseekers in terms of self-interest; predictably, that idea will fail.

It has failed. The proposed pay increases and additional benefits including the educational benefits offered by H.R. 1400 continues that same self-interest philosophy and it will also fail. Self-interest alone is not sufficient basis for military service.

Inherently, that service offers the possibility of hardship and danger for which money, alone, cannot be an adequate reward. The beautiful black man that testified before this committee earlier today, are there enough material advantages in the world to compensate him for the disfigurement he has received through his military service to our country?

Military service should be presented as a special way of accepting citizenship responsibility within a nationwide moral climate that describes such responsibility as everyone's duty throughout life. Therefore, the Center for Citizenship Education endorses the concept expressed in the amendments to H.R. 1400, proposed by Harry J. Hogan, adviser on National Service.

The proposed amendment to section 1401 would describe the purpose of H.R. 1400 to be that of giving recognition to members of the armed services for their acceptance of military service as an expression of citizenship responsibility.

It lifts military service beyond the temporary job status and employer of last resort. The amendment adding section 1458 describes voluntary community service as an alternative mode for acceptance of citizenship responsibility. It performs the socially necessary function of relating military service to civilian service opportunities throughout the rest of our society.

It pulls us all together. In doing so it relates our community service everywhere in the Nation to military service responsibility accepted by those of us in the armed services. The suggested reward in education benefits to an individual for community service is 50 percent of that given for military service.

The difference is justifiable in our view because of the immediate need for personnel in the armed services, and because of the greater flexibility in individual access to the community service option. The amendment gives to action the responsibility for certification that any given community service program meets a qualifying service standard.

Decisions on allocations, on limited appropriated funds, will be made by the armed services. The necessity of making those decisions will open up a direct discourse between the armed services and the higher education institutions.

The inclusion of community associations as program participants will orient the decisionmaking to the social needs of the 1980's. For example, the shaping of citizenship through service opportunities to meet today's needs. The Center for Citizenship Education stands ready to assist in the development of community service opportunities under this program.

We are confident of our ability and those of others in the volunteer sector and in the educational community to meet the Nation's needs.

[The prepared statement of Ms. Kirk appears on p. 261.]

Mr. Edgar. Thank you for your testimony. Mr. Wilson, we look forward to hearing your testimony as the last witness. One thing, before you begin, I would like to indicate that you are president of Cheyney State College. While it does not reside in my district, it does reside within my county, and we've been fortunate today to have president of Delaware County's Community College as well as you here representing the association of State colleges and universities.

We really appreciate your being here.

STATEMENT OF WADE WILSON, AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

Mr. **Wilson**. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, I state that we have prepared an addendum to our testimony, and if you've not received that, we will see that you get it.

Mr. **Edgar**. We did receive it, and we appreciate it. It was particularly helpful to see page A-3 of the addendum, which ranks the use of the GI bill by State. We discovered that Pennsylvania is 46 on that ranking, with only 16.4 percent of the veterans using the GI bill. We did receive it. Thank you.

Mr. **Wilson**. The American Association of State Colleges and Universities is deeply interested in H.R. 1400 and other comparable legislation. Our colleges have educated hundreds of thousands of veterans after the past three wars. We're also working closely with other higher education groups, and with the armed services administering the Service Members Opportunity College (SOC), which provides college opportunities to servicemen and women all over the world.

We will comment today briefly on H.R. 1400, with some remarks also about Senator Armstrong's S. 25 and Senator Cranston's S. 417.

First, veterans benefits. We generally approve of the approach of H.R. 1400, providing $250 a month in basic benefits and an additional $300 a month in supplemental benefits for longer periods of service. We have doubts about whether these benefit levels are adequate to provide for the costs of college today.

We also feel that the lack of dependency allowance will discourage many servicemen from enlisting. We do not share Senator Armstrong's belief, in testimony before this subcommittee on March 17, that paying 80 percent of tuition up to a maximum of $2,500 in addition to the $250 subsistence allowance, is a desirable way to attract people to the military or to help them attend private colleges.

It is paying lower benefits to the large majority of veterans likely to choose a public college anyway—about 80 percent of all students now attend public colleges, more in most States—will encourage them to choose a far more expensive private college, where their additional costs will be much higher.

This is simply a way of discouraging qualified people from enlisting and does nothing to help private colleges. Nor, of course, do we believe public colleges are low quality.

Second, educational incentives for military service. Several very innovative ideas have been suggested in H.R. 1400 and S. 25, among other bills, to recruit and retain highly qualified people—for example, preservice education. The proposal to give people 36 months of college at $300 a month, if they agree to serve in the military afterward, is a boldly innovative suggestion and deserves very careful review.

We would like to know how many such enrollments are envisioned and other details about this idea. Next, transferability. Careful consideration should be given to the ideas to make possible transfer of educational benefits to a spouse or dependent after 8 to 10 years of duty.

We do not believe this should end after 12 years, as proposed in H.R. 1400. We are not certain that this benefit should be limited to critical skills as defined by the Secretary. We believe that it should be open to those in service now, and not simply to newcomers.

Educational leaves: We like Senator Armstrong's idea of educational leaves up to 1 year, followed by 2 years of duty, as a further way to retain and upgrade qualified personnel. In general, we compliment the committee on its work, and we would like to work with you.

We urge that other educators as well as the military be consulted as this new legislation goes forward.

Thank you.

[Material submitted for record by the American Association of State Colleges and Universities appears on p. 266.]

Mr. EDGAR. Thank you very much for your statement, and I am pleased that you have been able to summarize the important aspects of your statement, and yet pick up the essence of what your association supports within this legislation and other pieces of legislation.

I particularly am interested in this leave of absence provision you mentioned as well as Mr. Bonner. We're joined in the room by several students from Villanova University, and they have come to Washington to discover how laws are made or not made.

Part of the process of learning is the fact that much is happening in the first 4 or 5 months of this new administration in committee and subcommittee. We're completing 4 days of hearings on H.R. 1400, which is a bill for retention and recruitment, in shoring up the All-Volunteer Military. We've heard over the course of the last 2 weeks from the office of the Joint Chiefs of Staffs, from the civilian side of the military, from the veterans organizations and from the academic community.

Dr. Bonner, I have a couple of questions I would like to ask. You indicate that the $250 a month allotment is inadequate except for a person attending a community college. What amount do you suggest for the basic benefit under this new GI bill?

Mr. BONNER. Mr. Chairman, in listening to the testimony this morning and the discussion earlier, I found the suggestion of a flat maximum amount of $3,000 for the tuition component and $300 a month probably is something that would be attractive and meet the purposes that, I think, you have in mind.

Mr. EDGAR. I was a little bit surprised that the community colleges were flatly opposed to any tuition requirement, and I understand the reason why in terms of their having more of a need for the larger monthly component rather than tuition expenses as you might have at Wayne State University or one of the other larger universities.

It is a very difficult question, given the variety of educational institutions impacted by H.R. 14000. Mr. Wilson, you come from a State-related school. I wonder if you might answer that question. What do you think is an adequate benefit for a university like yours, which has a large-minority student population. Your university in Pennsylvania which has the third largest population in the Nation. However under the old GI bill only 16 percent of those

Pennsylvania veterans used their GI benefit. Was this because of inadequate rates?

What would be an adequate rate?

Mr. **Wilson**. An adequate rate, in my opinion, would be a component for tuition, and in this instance, it would be basically $2,500 plus, and I lean toward a figure not cited yet of $300 to $400, therefore, a compromise of $350 as the minimum benefit.

Mr. **Edgar**. Dr. Bonner, I am interested in trying to figure out whether or not, with all of the other pressures that are going on in the capital today, and throughout the last couple of weeks in attacking the $4.8 billion of student aid, much of which I support, whether or not you would think that for service to the country, one might be given an added incentive, that is that rates for loans and grants and compensation for services to one's country might be targeted at a higher value than those who did not give that kind of service.

Mr. **Bonner**. I think I would agree that it would be in the national interest and certainly something that would be not inconsistent with the principles of the association I represent, if there were some additional incentives provided to veteran students.

The concern I expressed at the end of my remarks had rather to do with concern, I think, that some of my colleagues have that this program could become a considerable part, a substitute for some of the programs that are being reduced or phased out.

Mr. **Edgar**. I share that same concern. I think that the investment we made in the students and in education is clearly an important one. In my opinion, it is the wrong area to start attacking, but several witnesses before this committee, over the course of the last 4 days of testimony, have indicated that there lies an area where we can get the funds to provide for this particular benefit. Several of the members of the committee, in asking questions, have indicated their feeling that service to one's Nation ought to get a certain reward and benefit, and that one ought not to be able to get that same benefit without any service to the Nation.

I am not sure how I feel on that at this point, but it is a point that we really have to look at. It would be helpful to me if both you and Mr. Wilson might take a look at some of the regional imbalances, as well as the institutional imbalances of the funding proportions in this legislation.

We have a dilemma in terms of whether we go the route of a fixed monthly cost plus the tuition kicker or whether we go to a larger monthly cost to be more flexible or whether we recognize the need at community colleges or junior colleges or institutions that might be State-supported and those institutions that may be privately supported. With any legislation like this, it is difficult to be at the same time flexible and targeted in the aid in which we give. With your experience and your association's experience, it would be helpful if you could give us some data on that, especially on the regional concerns I mentioned earlier, because of my concern that some communities do not take advantage of education benefits because of the high tuition cost in some area schools.

This basically draws to a conclusion our 4 days of hearings. We do have two field hearings. One is in Virginia and one in Massachusetts that will be upcoming, and we look to marking up this legislation toward the end of April and the first part of May.

All of the witnesses have made a valuable contribution to this task. I want to thank those in the audience who have been patient enough to listen to the questioning. I want to thank our witnesses for coming and sharing their comments.

The committee now stands adjourned.

[Whereupon, the committee hearing was concluded at 12:46 p.m.]

Appendix

Prepared Statement of Hon. Norman D. Dicks, a Representative in Congress From the State of Washington

Mr. Chairman, it is a pleasure to appear before the Committee today to provide my wholehearted endorsement of the effort to re-establish needed levels of educational benefits for our military community, through H.R. 1400. I am proud to be a co-sponsor of this legislation and hope that with the leadership of the Chairman and this Committee we can see it enacted in this Congress.

You are all well aware of the continuing challenges we face in attracting and retaining the numbers and quality of personnel necessary for the effective operation of our Armed Forces. The disasterous recruiting year of 1979, when none of the services met their objectives; the Army Divisions rated unfit for service because of shortages of non-commissioned officers; the need to juggle crew assignments in order to offset the Navy shortage of 22,000 petty officers; and the exodus of pilots, health personnel and trained maintenance people from all of the services are the real world consequences of our failure to provide the pay and benefits at adequate levels and in needed areas to meet our force requirements.

Last year the Congress enacted measures that were an important first step in correcting these problems. The provisions of the Nunn-Warner amendment and the 11.7 percent pay raise sent the signal to the military that the Congress was aware of the problem and willing to take the actions needed to correct it. Thus far this year, recruitment quotas are being met and retention is up. For example, re-enlistment rates in the Army thus far in Fiscal Year 1981 for mid-grade personnel are up nearly 10 percent from 1979 levels.

But we must avoid the false conclusion that these encouraging developments mean the problem is over, it most certainly is not. Shortages in critically needed technical skills persist. More importantly, the sheer demographics of our population will mean a continually smaller base of Americans in the prime recruitment age brackets. The implications can be seen in the conclusion of a recent Congressional Budget Office Study indicating that the percentage of Army recruits with a high school education or its equivalent will decline to 52 percent by 1986, compared to a target of 65 percent, without major changes in incentives.

While efforts to bring overall military pay and benefits to comparable levels with the civilian economy are continuing, there is a special need to target benefit increases into areas that will provide the greatest return per dollar invested. I am convinced that the area of educational benefits is an especially fertile field for such a return.

The Department of Defense last year testified that termination of the GI Bill has resulted in a decline of up to 25,000 high school graduate enlistments each year. We have reached a point where last year only 25 college graduates enlisted in Army combat arms, out of a total of over 100,000. The reason for this total lack of attraction for those who seek higher education or have already gained it can be seen in the fact that while the current Veterans' Educational Assistance Program receives annual federal contributions on the order of $100 million, the cost of civilian federal college aid programs was $4.4 billion in 1980.

This situation exists despite the fact that the percentage of jobs requiring technical skills in the Armed Services is roughly twice that of the economy as a whole. The need for individuals with the skills and aptitude to adapt to complex weapons systems was recognized as early as 1957 in the report of the Defense Advisory Committee on Professional and Technical Compensation when it stated, "only marked increases in the level of competence and experience of the men in the force can provide for the effective, economical operation required by the changing times and national needs."

These factors have led many military leaders to call for a re-establishment of the GI Bill. Army Chief of Staff, General E. C. Meyer stated he believes that bringing back a modified GI Bill "will do more to attract young people to the Army than any amount of dollars we throw into the recruiting effort."

As attractive as the GI Bill was to military personnel, it was not the perfect vehicle for dealing with the problems we face today. In particular, its structure was skewed against retention of career personnel. In order for an individual to take advantage of the benefits, he or she would have to leave the service.

This legislation recognizes those problems and includes provisions that will turn the bias of the old GI Bill around. The bill will not only promote recruitment of those desiring higher education, it will help retain them as well.

The bill does this in several ways. First, it provides a far greater monthly benefit, $550 compared to $300, for those who complete six years of active service and commit to eight years of reserve service, as compared to those who make only a three year commitment.

Perhaps of greatest importance, it allows transfers of educational entitlements to spouses or dependents by those who have served between 8-12 years or have retired after 20 years of service. No longer would a serviceperson be forced to give up his career to take advantage of benefits. The ability to provide a college education for one's children is an integral part of the American dream, all too often denied to those who presently chose to serve their country in the military. Allowing that dream to be fulfilled will be an important incentive to those considering making that sacrifice and commitment.

Another positive aspect of this bill are the provisions that will encourage those who have already received higher educational training to come into the services. We spend $3 billion per year, roughly 10 percent of the entire military personnel appropriation to maintain the enlisted training pipeline. When we can recruit individuals who have already received valuable training, the time and expense presently borne by the services can be substantially reduced.

The provisions for student loan forgiveness and giving the Secretary of Defense authority to provide assistance to individuals before they enter service can be especially helpful if they are applied to individuals whose educational training has a direct military application.

In establishing a new and viable educational assistance program, we should be sure that the Secretary of Defense is provided sufficent flexibility to target the tools the program provides to changing situations in the manpower area while maintaining a basic program that can be depended upon by the serviceperson. This is a difficult balancing act, but it is one for which I believe this bill provides the necessary basis.

Let me make a few observations on areas where the Committee may wish to add to the bill's provisions to further the goals of establishing a stable and adequate career force. The first area deserving review is the need to attract veterans back into the active service. This is particularly true for the thousands who left the service in the last few years because of compensation shortfalls. They have already benefited from the training and are the only pool that can quickly help us overcome our NCO shortages. Transferability of benefits for such individuals who agree to return to the service, if their term of commitment would bring them into the 8-12 year category and who possess skills in short supply should be examined. Other methods to provide special inducements to this group, perhaps at OSD discretion, should also receive consideration.

A second area that may need to be included are incentives to allow use of benefits while an individual remains in the active service either through temporary changes in duty assignment or other means.

The Congress authorized $75 million to test many of the provisions contained in this bill last year, including loan forgiveness, transferability of benefits and a non-contributory benefit program. The result of these pilot programs have been most favorable according to field commanders and recruiters. We certainly should examine the lessons of this pilot program and incorporate them into any legislation that we enact. But I do not feel we should be compelled to wait until long after the test is complete and evaluated to move. Our manpower problems threaten to grow worse without prompt action. I hope this Committee will act in recognition of this situation.

PREPARED STATEMENT OF REAR ADMIRAL H. S. MATTHEWS, U.S. NAVY (RET.)

Mr. Chairman and distinguished members of this Subcommittee, before addressing the issue of a GI Bill I want to applaud the efforts of your subcommittee in helping solve the critical manpower problems that exist today in all of our Military Services and the U.S. Coast Guard. I hope that I can contribute to your efforts in this complex and far-reaching problem of national concern.

My qualifications in this area are somewhat unique. Contrary to what most people assume, this Admiral is not a product of a Service Academy, or any of our

Officer training programs. I was one of those 18 year old high school graduates just prior to WW II, who wanted to go to college but could not afford it, further complicated by a world war on the horizon. Enlisting in the Navy in April, 1940, I came up through the enlisted grades to become a temporary officer, an Ensign. In 1946, by then an experienced test pilot (Lt(jg)), the Navy offered me a college education if I would stay in the Naval Service. This they did and I became the first former enlisted pilot to each Flag Rank. With this beginning during my 30 years of commissioned service a major focus of my efforts was on our Navy enlisted community, their welfare, training, education and professional development. My views and judgements are based primarily upon those years of service which cover WW II, Korea and three combat tours in Vietnam.

Because of time limitations here and the complexity of our Military Services manpower problem I have attached to this statement a background paper on that subject which discusses in some detail the complexities of this problem, enclosure (1).

Given present trends—such as the introduction of increasing numbers of more demanding and sophisticated weapons systems in all services, and the increased competition for that declining number of young people, 18 to 24 years old, available for military service—solving the military manpower problem will become even more demanding in the future. Therefore, any legislation must truly be responsive to the major manpower problem. As previous testimony has indicated and current combat readiness problems reveal, the major manpower problem now and for several years to come, is "retention, retention of highly qualified and experienced personnel." Obviously, highly qualified and motivated personnel must be "recruited" before they can be "retained," just as they must be "retained" for several years before they meet the other need "experienced." The danger in solving the "recruiting" problem only, at great costs (billions annually), without solving the "retention" problem can be counter-productive, as well as costly. For example, bringing unlimited numbers of highly qualified recruits into the Navy for just three, or even four, years, after which they leave the Navy, would do very little to solve the Navy's serious shortage of over 22,000 midgrade petty officers.

Clearly, retention is the basic and major military manpower problem and solutions to it must be found and implemented quickly. At this point I would like to add that it needs to be understood that solving this problem will take five or more years—an "experienced" noncommissioned officer cannot be created "instantly." Also, contrary to the opinion held by many, the "draft" would not solve the retention problem—although it is needed for many other reasons, as is a properly structured GI Bill.

In order to save time for any questions I will summarize my views:

1. Fractionally all highly qualified high school graduates who join the military services in order to receive educational benefits will likely leave the service as soon as they have earned those benefits—unless he is provided an alternative and credible means of getting the education for which he joined the military service. In fact, I have seen many Navy career enlisted persons, after several years of service, develop a desire for formal education and quit the Navy to get their education under the GI Bill.

2. Any GI Bill in which full educational benefits are achieved on only 3, or even 4, years will be a dis-incentive to retention.

3. Transferability of educational benefits to dependents, mainly children, is a very good idea. However, it will NOT be a "retention good" except for servicemen with ten (10) or more years service. Very few first term service personnal are looking at least 16 or more years into the future, regardless of whether or not they are married.

4. In any GI Bill there should be authorization for the Military Services and the U.S. Coast Guard to spend an amount equal to full GI benefits on each career service person for "in service" education programs leading to a bachelors degree. Such a program should require a commitment of at least ten years service—the point at which retention is not such a major problem, especially if you have solved 1st, 2nd, and 3rd term reenlistment problems. This would do much to restore the serviceman's confidence in his service, his Commander-in-Chief and his Congress. It would provide the highly motivated and qualified service person with a means to stay in the service and still get the college education that got him in the service in the first place. This alternative is needed for the serviceperson who decides to make the service a career. This "in service" program is distinct from "entitlements" where the service person must "scratch" for himself, usually with some local institution where he is stationed, with little or no help from his command or unit. The rare exception, and it is a notable one, is the USAF Community College where they assist USAF enlisted personnel in obtaining an Associate degree.

Mr. Chairman, it is recommended, that any GI Bill incorporate the following:

Require a minimum of three (3) years active duty for partial benefits (60 percent) and five (5) years for full benefits.

Provide for transferability of educational benefits earned to dependents, wife and/or children.

Authorize the Military Services to spend on each career person an amount equal to the maximum benefits earned under the GI Bill. Benefits earned but not used under this program to be transferable to dependents, or, available to the service person earning them upon retirement or separation.

Mr. Chairman, thank you for the opportunity to appear before you and your subcommittee on this vital issue.

Enclosure: "Military Manpower Problems—The Draft—The GI Bill and Other Nostrums".

MILITARY MANPOWER PROBLEMS—THE DRAFT—THE GI BILL AND OTHER NOSTRUMS

There is general agreement that the Military Services—all of them—have serious manpower problems today and, given present trends, these problems will be more serious in the future. While the statistical details vary from service to service, the general nature of the problem is embodied in the following statements.

Modern weapon systems are demanding increasingly skilled personnel for both maintenance and operation.

The number of young people (18–24 years old) available for military service is declining as the peak of the post World War II "baby boom" passes out at that age group.

For a variety of economic and sociological reasons, military service is less attractive today to young people than was formerly the case.

The net effect of these conditions is a growing shortage of military manpower concentrated in the high technology skills. The problem is compounded and somewhat masked by the fact that the services are currently able to fill empty spaces with new accessions. However, at the margin, the new accessions are in Mental Group IV. These lower mental group personnel are less likely to be capable of meeting requirements for highly skilled technicians even after extended periods of training and experience. Consider the following symptoms:

52 percent of the Army accessions in 1980 were in MG IV. At the same time, Army enlisted personnel turnover is very high, and lower mental group personnel who complete their first enlistment, are more likely to be retained. Thus, accession and retention trends are operating to lower the overall aptitude level of Army personnel at the very time when increases in skill levels are required.

The Navy is currently short more than 22,000 mid grade petty officers primarily in high skill ratings. In at least one rating, shortages are so bad that less than three-fourths of the billets at sea would be filled even if all personnel in the rating were assigned to shipboard duty.

Discussion of the current military manpower problems will usually lead to the suggestion that the solution to the problems would be achieved or at least facilitated by either a return to the peacetime draft, or reinstitution of the GI Bill. Neither of these courses of action is likely to help, and in fact, either is likely to make the fundamental problem described above much more difficult to deal with. Recall the central facts of life in defense manpower today:

Increasingly sophisticated technology being introduced at an accelerating pace.

A declining population of young people.

A return to the peacetime draft would presumably be structured to impact equitably on all segments of society and should, therefore, produce a pro-rata share of the higher aptitude segments of the population. The problem is that in today's sophisticated technological environment, aptitude is translated into individual capability only after extensive schooling and on-the-job experience. The introduction of large numbers of high aptitude personnel for a short (2 year) period of service, is unlikely to help. In fact, a return to the draft would probably exacerbate the problem as high turnover and consequent high training rates draw excessive numbers of experienced personnel from operational assignments to instructor duty. The essential point is that the military manpower problem is primarily one of providing experienced technicians to support increasingly sophisticated systems. These technicians must be grown over an extended period of time. The high turnover rate and turbulence associated with a peacetime draft runs counter to that objective.

The effect of reestablishing the GI Bill would, in many respects, be similar to that of the draft. It could be expected that the existence of the GI Bill would attract many of the high aptitude youth that the armed services need. Unfortunately, these people would enlist to obtain the educational benefit and could be expected to leave as soon as eligibility was established. Thus, the potential for personnel turbulence and undue investment in training resources exists; although in this case, it can be controlled by exercising care when specifying the manner in which eligibility for benefits will be granted. Certainly the criterion used in the old GI Bill (180 days of service) is inappropriate. One should think in terms of time frames for eligibility which are on the order of the time required to achieve journeyman proficiency and recover training costs for high skill personnel. This would require six to eight years for most skill areas.

In a way, the current preoccupation with the draft and the GI Bill as remedies for defense manpower problems, reflect a mind set born of three decades of peacetime conscription in which manpower was perceived to be a free good. The result was a management philosophy that focused on numerical requirements and accepted extremely high personnel turnover. In spite of the coming of the all volunteer force, the services still accept high turnover as a way of life. (Replacement rates for enlisted personnel range from 17 percent for the Air Force to 26 percent for the Army). It is notable that numerical end strengths have never been less than 98.5 percent of authorization under the AVF in spite of some highly publicized recruiting shortfalls. It is not that the Services have been unable to maintain strength, but that they have been unable to sustain (and indeed, increase), experience levels in high skill areas. Improved retention of experienced technicians implies a reduction in turnover rate—but this creates a whole new set of problems! As turnover diclines, and experienced personnel are retained at acceptable rates, vacancies will also decline and promotion rates will be reduced. It may be that manpower managers, faced with the choice between continued high turbulence and a more stable inventory with significantly lower promotional opportunity, are subconsciously electing high turnover in preference to the many uncertainties associated with the reduced promotion flows of a low turnover policy.

The challenge of the 1980's is to break away from the stereotyped solutions which no longer work. Manpower, especially skilled manpower, is no longer a free good. Once recruited, it must be retained—not for two years, or four years, but for eight to ten years. The goal must be an older, more experienced, more capable force. Achieving that goal will require innovation—in recruiting, in training, in personnel management, and in programs for the education and development of career personnel.

Prepared Statement of Hon. William D. Clark, Acting Assistant Secretary of the Army for Manpower and Reserve Affairs

Mr. Chairman, Members of the Committee, it is a distinct pleasure for me to address this Committee with reference to proposed educational incentives legislation. Clearly, such incentives are of particular significance in this time of declining manpower pools and enhanced military requirements.

Educational incentives for veterans have played a significant role in the U.S. since World War II. As originally designed, such programs rewarded young servicemen for their personal sacrifices on behalf of the military and country while assisting them in readjustment to civilian life. The programs have served their purpose well, helping millions of veterans to reenter the civilian work force with sufficient educational background to render them both competent and confident in their new roles.

The purpose of the incentives presently under consideration is somewhat different, although their importance is in no way diminished. Current initiatives have as their major thrust the attraction of bright, college bound youths who will, through their participation, bring to the present military force, Active, Reserve and National Guard, a freshness and intellectual competence which will help the Army meet the challenges of an increasingly complex technological environment.

The Army feels fortunate in the fact that President Reagan has demonstrated since taking office an obvious commitment to improvement of the Nation's military capability in all areas. Secretary Weinberger has indicated a similar commitment, coupled with a desire to spend Defense Department resources wisely. This is only appropriate.

It is highly desirable that any new educational incentives initiatives support the Army's effort to recruit larger numbers of intellectually alert high school graduates who will learn quickly and perform well in their military jobs for the total force. Consequently, a number of educational incentives are currently being field tested, all designed to support the recruiting and retention efforts of the Services.

The fiscal year 1981 Defense Authorization Act (Public Law 96-324) required the Defense Department to field test the following educational incentive programs: a non-contributory tuition assistance and subsistence program; a student loan-forgiveness program; and a new non-contributory version of the Veterans' Educational Assistance Program (VEAP). In addition, the Army is continuing its experimentation with several enriched versions of VEAP, providing increased levels of benefit based upon longer term enlistment periods. Hopefully, the test program will provide data on the usefulness of such incentive packages in attracting larger numbers of bright, college bound youths to the service.

The Army is also concerned about retention of competent and dedicated mid-career non-commissioned officers. Allowing military personnel to transfer earned education benefits to their dependents may reduce the pressure on such personnel to leave service in order to utilize educational benefits. However, test data are not yet available on which to base any conclusions.

When the results of the educational incentives test become available in October 1981, we will be better able to judge the usefulness of the various incentives, either individually or in various packaging combinations, in meeting the Army's recruiting and retention needs during the 1980's

In the meantime, the Army needs authorization to continue the various recruiting initiatives, which expire this year, until decisions can be made and permanent legislation is enacted. Loss of these programs would have an extremely detrimental effect on the Army's strength posture.

Thank you for your continued support of and commitment to national defense.

Mr. Chairman, this concludes my statement. I will be glad to answer questions.

Prepared Statement of Lt. Gen. La Vern E. Weber, Chief, National Guard Bureau, Departments of the Army and the Air Force

Mr. Chairman and Members of the Committee: Thank you for the opportunity to appear before you today to discuss an education assistance program for members of the Armed Forces.

We in the National Guard believe that an education assistance program which includes the Guard and Reserve is essential. As you know, we currently have an incentives program. We have made some advances as a result of this program, and we think that we can make even more with the continuation of this type of assistance.

Despite the incentives provided by the Congress and the best efforts of our people, the Army National Guard has experienced difficulty in recruiting and retaining qualified people. Progress has been made but not enough to meet our required strength. The Army National Guard with its current membership of 375,000 is at 88.7 percent of its authorized peacetime strength.

With great effort, the Air National Guard has reached its highest strength since its inception in 1946. Its more than 97,000 members reflect 96 percent of its authorized peacetime strength. Even though this is a significant achievement, the Air National Guard has been unable to attract sufficient members in critical skill areas which has resulted in a shortage of 5,000 people in that category.

As everyone knows, recruiting and retention require an inordinate amount of time to administer and make heavy demands on our already overburdened commanders. Even so, the Army and Air National Guard are working very hard to improve their posture in the Total Force and to sustain the All-Volunteer Force. However, notwithstanding the support and assistance of the Congress, we still have not made sufficient progress. Although our situation is not as bleak as it has been in the recent past, there is much to be done. We believe that an education assistance program representative of the Total Force would greatly assist the National Guard in its endeavors to attract and retain the quality of people we need to become the most effective and efficient organization that we can be.

I appreciate the invitation to present the National Guard view on this important issue, and I will be happy to answer your questions.

Prepared Statement of Maj. Gen. William R. Berkman, Chief, Army Reserve

Mr. Chairman, it is an honor and pleasure to appear this morning to discuss the Army Reserve's interest in educational assistance proposals.

The Army Reserve has made some improvement in the strength of troop program units in the past few years—moving from an end strength in 1978 of approximately 186,000 to the current projected fiscal year 1981 end strength of approximately 216,000. However, the USAR is still substantially short of the fiscal year 1982 wartime required stength level for the troop program units of 286,000 and its peacetime objective of 264,000.

Consequently, I believe that any legislative proposal implementing the concept of educational assistance for active federal service should also include provisions to support service in the Reserve Components. I also believe that any such proposal should not be in lieu of or adversely affect the continuation of current Selected Reserve Incentive Programs that are designed to support Reserve component recruiting and retention of high school graduates in higher priority Reserve Component units and certain critical skills. These programs are enlistment and reenlistment bonuses and affiliation bonuses.

There is also currently an educational assistance program for the Reserve Components which is only available as an alternative option that may be selected in lieu of the enlistment bonus.

In regard to the educational assistance program for the Army Reserve, it was increased from $500 a year maximum to $1,000 per year maximum and the total bonus available over a six year period was increased from $2,000 to $4,000. As a result there appears to be a trend of increased enlistments of high school graduates. As of March 9th, 945 people, representing approximately 30 percent of those eligible, had enlisted in the US Army Reserve for the educational assistance bonus as compared with 88 enlistments at the same time last year. This increase of almost 1,000 percent indicates that an attractive educational assistance program can support strength increases in the Army Reserve troop program units. I believe these results demonstrate the desirability of extending the educational assistance across the force in order to achieve and maintain the desired quality of personnel for the Army Reserve. The level of benefits should not be at any level less than that currently authorized.

The Selected Reserve Incentive Programs have the important function of encouraging enlistments as well as distributing available manpower to higher priority units and to critical skills. The Army should retain the flexibility to expand the benefits and application of those programs to correct Reserve Component strength shortages in certain high priority units as they may exist or develop in the future.

I appreciate the interest and efforts of this Committee to encourage and support membership in the Army Reserve.

PREPARED STATEMENT OF REAR ADM. FREDERICK F. PALMER, USN CHIEF OF NAVAL RESERVE

Mr. Chairman and Members of the Committee: It is my pleasure to appear before this committee in support of Educational Assistance programs for veterans and members of the Armed Forces.

There are two general factors that must be considered as background for my remarks. First, we have never had a broad program of Educational Assistance for service in the Selected Reserve. Therefore, we must extrapolate from our previous experience with the GI Bill for active service to estimate the impact of an Educational Assistance program for the Selected Reserve. I am waiting for the results of the non-prior service Educational Assistance enlistment option incentive of up to $4,000 and the Student Loan Forgiveness program authorized by Congress last year. Second, since the Naval Reserve is currently manned at its authorized strength, we do not need an additional incentive solely to increase the number of Selected Reservists. However, I do recognize the significant shortage of personnel in some of the other Reserve components and anticipate the need to increase the size of the Navy's Selected Reserve in the future. I also recognize that our military components, active and Reserve, will face a more difficult recruiting and retention task in the future as the number of personnel in the 18 year old cohort decreases and our Nation's economy improves thereby becoming more competitive in attracting our youth in both the primary and secondary labor markets.

With these factors a background, I would like to offer some general comments with respect to educational assistance proposals that include benefits for service in the Selected Reserve. I wish to note, however, that the administration has not taken a position on these proposals, pending the outcome of the test programs referred to earlier.

First, caution must be used to ensure that any such program is properly structured to ensure that it will not be a disincentive to active duty service and, second, that sanctions are included that will require fulfillment of service obligation both for the agreed term and at a level of satisfactory performance in the Reserve.

I believe an ideal program could:

Increase the number and quality of non-prior service accessions.

Improve retention during the critical career development phase during the first six years of service.

Improve the participation rates of personnel during the first six years of service.

Decrease the necessity of using involuntary active duty or active duty training to ensure personnel receive the necessary training.

Be an efficent incentive in that it would attract significantly more people that we anticipate would leave service to use their entitlement.

I will be happy to respond to any questions or provide any additional information you desire.

Prepared Statement of Maj. Gen. George B. Crist, Deputy Chief of Staff for Reserve Affairs

Mr. Chairman, members of the Committee: It is a pleasure to appear before you today to discuss educational assistance for members of the Marine Corps Reserve.

First, I would like to express the appreciation of the Marine Corps Reserve for the Congressional assistance we have received through the provision of those incentives needed to retain and attract qualified reservists.

In 1979, Congress authorized a selected Reserve incentive program consisting of education, non prior service enlistment and selected Reserve reenlistment bonuses. The enlistment and reenlistment bonuses have been emminently successful in achieving the purpose for which they were designed. This is attested to by the fact that both bonuses were fully utilized in Fiscal Year 80 and our end strength is increasing. The education bonuses were under subscribed last year primarily due to the small amount of money offered and that the individual had to wait until completion of a semester to submit a claim. This shortcoming was rectified by Congress last year. For 1981, two new bonuses were authorized, selected Reserve affiliation and Individual Ready Reserve bonuses. It is too early to tell what the reaction to these new bonuses will be.

Thus, in the last two years alone, Congress has provided the Reserve with varied and effective tools to increase enlistment and retention and ameliorate the critical skill shortage problem. Since these incentives have been in effect for a relatively short period and experience data is limited, it is not clear what the marginal benefit would be of a new incentive in the form of additional educational assistance.

I believe that we will eventually need an education incentive program for our Reservists. However, the details of such a program need to be carefully worked out as they affect both regulars and Reserves in order to insure the highest level of equity within a reasonably simple, easily comprehended formula. I would suggest that more time is needed to refine an educational assistance program which will effectively satisfy these objectives. To do otherwise might be counterproductive in the long run no matter how well intented the motivation.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions you may have at this time.

Prepared Statement of Maj. Gen. Richard Bodycombe, Chief of Air Force Reserve

Mr. Chairman and Members of the Subcommittee: I appreciate this opportunity to testify on H.R. 1400, "The Veterans' Educational Assistance Act of 1981." The Air Force Reserve believes that properly structured educational assistance programs can help considerably in meeting our force objectives, both active and Reserve.

As you know, the propensity of the young high school graduate to join the armed forces has been declining. All the military services will be faced with increasing recruiting challenges for these young people during the foreseeable future. Approximately twenty-two percent of our Selected Reserve unit strength is comprised of individuals with no prior military service. Eight-nine percent of these individuals are high school graduates. While we would like to increase the percentage of non-prior service personnel in our force in the coming years, we know it is going to be difficult because of the recruiting environment. No matter how difficult the challenge, however, we think it is absolutely necessary to continue to primarily recruit high school graduates to fill our non-prior service requirements because of the technical complexity of our career fields. Our recruiting service personnel have confirmed that the availability of educational assistance is one of the most discussed questions among potential high school graduate recruits.

We believe that the needs of the Reserves for education incentive programs should be carefully considered. Likewise, any new educational assistance programs must be structured in such a way to guarantee that retention is not adversely affected. Air Force Reserve retention has improved considerably over the past few years and we must insure that an educational assistance program encourages continued service.

In summary, Mr. Chairman, I feel that a veteran's education assistance program will be needed if the Armed Services are to meet their future manning needs.

Thank you for the opportunity to address the committee on this important issue. I will be glad to respond to any questions.

Prepared Statement of Rear Adm. Sidney B. Vaughn, U.S. Coast Guard

Mr. Chairman, it is a pleasure to appear before the subcommittee to testify on the topic of educational incentives for our reservists.

Before addressing that subject directly, I would ask as Rear Admiral W. H. Stewart, the chief, Office of Personnel, U.S. Coast Guard, did before this committee last week, that the Coast Guard and the Secretary of Transportation be specifically included as appropriate throughout the text of your legislative proposals.

That aside, the Coast Guard strongly endorses any incentive that contributes to the capital investment of our Nation's future by attracting and retaining quality people to military service.

I believe the importance of our reserve components as a part of our total force concept has been made clear in recent years. This was graphically demonstrated in 1980 when our Coast Guard resources were strained by the demands of the Cuban refugee operations in the straits of Florida. Between June 3, 1980, when the President approved an involuntary recall of Coast Guard reservists, and September 30, 1980, when reserve participation was officially terminated, over 1,800 individual Coast Guard reservists, voluntary and involuntary, augmented Coast Guard forces in meeting this crisis. Without exception, their performance was clearly outstanding.

This is the caliber of the people we want in the Coast Guard Reserve; these are the people to whom your career incentives must be directed. When proposing legislation that will provide educational incentives to the members of the reserve components I would urge you to remember the unique character of their service. Within the Coast Guard Reserve there is a large segment of the population that has no prior active duty. This in no way detracts from their contribution to mobilization readiness. They are selectively recruited to meet specific skill requirements and are equally worthy of your consideration.

There is no doubt in my mind that educational benefits will favorably affect reserve manning. In developing these incentives we must be sure that they are oriented to selectively attracting and retaining quality people to reserve service in a very competitive environment.

The bill under consideration today is H.R. 1400. The administration recommends that no action be taken until the results of the Department of Defense tests and studies of the post-Vietnam ERA education assistance program have been completed. The Coast Guard will carefully examine those results as they may apply to the reserve program.

Mr. Chairman, that concludes my prepared statement. I will be pleased to respond to any questions you may have.

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

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5860
2 APR 1981

Honorable Robert W. Edgar
Chairman, Subcommittee on Education,
Training and Employment
Veterans Affairs Committee
House of Representatives
Washington, DC 20515

Dear Mr. Edgar:

Herewith submitted for the record are proposed changes to the draft Bill H.R. 1400 that pertain to educational incentives for service in the Reserve components.

The intent of these changes are threefold: first, to make all educational incentives under this Bill discretionary on the part of the Secretary concerned; second, to provide all Reservists with eligibility for an additional educational inducement contingent upon the individual member's commitment to serve satisfactorily in the Selected Reserve from the seventh through twelfth year of combined service; and third, to clarify the Preservice Educational Assistance Program as it applies to enlistment in a Reserve component.

Each proposed change is addressed below. Following this is the revised text of the applicable section of the Bill, H.R. 1400, with proposed deletions in brackets and proposed additions underlined.

Subchapter II - Basic Educational Assistance

Wording in section 1412.(2)(A) indicates that two years active duty is a prerequisite to eligibility for the Basic Educational Assistance. Therefore, the inclusion in section 1416 of the wording "... or in the Selected Reserve" does not appear relevant and is recommended for deletion.

Further, the last line in section 1412 is changed to provide that a member receives only the amount of assistance earned.

Subchapter III - Supplementary Educational Assistance

The proposed section 1421(b) makes the use of a Supplementary Educational Assistance (SEA) discretionary on the part of the Secretary concerned; removes the active duty prerequisite for SEA; and moves forward the vesting point for SEA for a Reservist from completion of twelve years service to completion of the sixth year of service. Eligibility for the SEA would then be contingent upon the member's agreement to extend for an additional six years in the Selected Reserve.

SPEED LIMIT 55
It's a law we can live with.

Enclosure (1)

Subchapter III - SEA (cont'd)
These changes will provide an additional educational inducement not now available to those Reservists whose original obligation includes no requirement to perform active duty.

The wording of section 1412(c) is changed to clarify that eligibility for SEA includes members serving on a preservice agreement and is contingent upon commitment to service requirements in addition to those stipulated in sections 1411, 1412, or 1445 of this chapter.

Subchapter V - Preservice Educational Assistance Program

The title and text of this subchapter infer that the performance of duty agreed to in a preservice agreement will be delayed pending completion of the enlistee's education. However, the text does not specifically preclude enlistment under a preservice agreement with immediate affiliation in the Selected Reserve and the member opting to delay use of the preservice educational allowance to a later date.

Section 1442(b) is changed to identify these two categories of reservists and to ensure that a preservice agreement requiring no active duty has a minimum Selected Reserve obligation of six years.

Section 1444 is changed by reducing the maximum rate of educational assistance provided under a preservice agreement from $300 per month to $250 per month. This will make benefits potentially accrued under a preservice agreement comparable to those of the Basic Educational Assistance.

Subchapter VI - Time Limitation for Use of Entitlement

Though no specific change is recommended, section 1451 should be reviewed to ensure that a Reservist enlisting under proposed section 1442(b)(1) is provided equitable time to use the entitlement.

Proposed Textual Changes

Subchapter II - Basic Educational Assistance

"§1412. Basic educational assistance [entitlement] eligibility

for service in the Selected Reserve and National Guard

(last line) "...[is entitled to] may be provided, at the discretion

Subj: Proposed Changes to Draft Bill H.R. 1400; educational incentives of the Secretary concerned, basic educational assistance [under this chapter.] earned under section 1413 of this chapter.

Subchapter II - BEA (cont'd)

"§1416. Early enrollment in a program of education:

"An individual who has completed at least two years of service on active duty [or in the Selected Reserve] and who is otherwise eligible for basic educational assistance may enroll in a program of education while continuing to perform the duty described in section 1411 or 1412 of this title."

Subchapter III - Supplemental Educational Assistance

"§1421. Supplemental education assistance for additional service

"(b) An individual [eligible for basic educational assistance under section 1412 of this title] who after September 30, 1981 [has served two or more consecutive years of active duty in the Armed Forces in addition to the years of active duty counted under section 1412(2) of this title and four or more consecutive years of duty in the Selected Reserve in addition to the years of duty in the Selected Reserve counted under such section without a break in service] is eligible for basic educational assistance under section 1412 of this title or who has completed the requirements of an agreement under subchapter V of this chapter with eligibility remaining under the preservice agreement and extends his or her original Reserve obligation for six additional years in the Selected Reserve [is entitled to] may be provided, by the Secretary concerned, supplemental educational assistance under this subchapter.

Subj: Proposed Changes to Draft Bill H.R. 1400; educational incentives
for service in the Reserve components

§1421(c).

"(c) No part of any period of active duty or duty in the Selected Reserve that occurs before or during the period of duty by which the individual concerned either qualifies for basic educational assistance under clauses (1) or (2) of section 1412 of this title or completes the service requirement of a preservice agreement under subchapter V of this chapter shall be counted for purposes of this section.

Subchapter V - Preservice Educational Assistance Program

§1442 Preservice educational assistance agreements

"(b) For purposes of this subchapter an agreement to serve in the Selected Reserve may entail either:

"(1) immediate assignment to the Selected Reserve after which the individual may receive educational assistance under the agreement or may defer such educational assistance to a later date; or

"(2) a deferred obligation to serve in the Selected Reserve after a completion of an educational program as specified in the contract during which time the member shall be assigned to the Individual Ready Reserve.

In the case of either clause (1) or (2), above, an agreement to serve in the Selected Reserve, without an active duty obligation,

Subj: Proposed Changes to Draft Bill H.R. 1400; educational incentives
for service in the Reserve components

§1442(b)(cont'd)

shall be in accordance with section 1445, but shall in no case be less than six years.

"(c) Any such agreement... "

§1444. Limitation on amount of educational assistance

" ...excess of [$300] $250 per month... "

Sincerely,

S. B. VAUGHN
Rear Admiral, U. S. Coast Guard
Chief, Office of Reserve

Prepared Statement of Maj. Gen. J. Milnor Roberts, AUS (Ret.) Reserve Officers Association of the United States

Mr. Chairman and Members of the Committee: ROA appreciates the opportunity to testify on the Veterans' Educational Act of 1981, H.R. 1400, and similar measures. We compliment the Chairman and Members of the Committee for their timely and urgent attitude toward this legislation.

The primary objectives for such legislation, as we see them, are acquisition of service personnel, retention of members of the Armed Services and, as an important adjunct to these two elements, the improvement of the education and quality of the servicemen and women in the Armed Services.

Using the foregoing as criteria for our evaluation of the need for and the nature of the legislation, we have reviewed the several bills already introduced in both the House and Senate and have discussed the problem with various staff members in the Congress, military commanders in both the Active and Reserve Components; we also have obtained comments from individuals in the educational community.

We feel strongly that any legislation using education as an incentive for military service must take into account service in both the Active (regular) and Reserve Components. Further, provisions for use during the period of service, such as a sabbatical or part-time study, will enhance the value of the program by generating better educated and qualified service personnel.

A review of the various proposed legislation reveals that we have bills in three categories that impinge on the needs as they apply to the objectives I have stated:

(1) A group of bills which we consider as education assistance incentive bills for service in the Armed Forces: H.R. 1400 (Montgomery), H.R. 1206 (Whitehurst), H.R. 135 (Bennett) are three such bills.

(2) The bill introduced by Congressman Hunter, H.R. 815, to extend the G.I bill to veterans for a period of six years beyond discharge or release from active duty even if the period extends beyond December 1989.

(3) A bill introduced by Senator Chafee, S. 665, Educational Loan Forgiveness Act of 1981. The purpose of this bill is to provide young men and women having at least two years of college education with an incentive to serve in the Armed Forces (Active or Reserve Components) through forgiveness of educational loans incurred while in college.

These three approaches each offer incentives to a different group of service people and should be handled as separate legislation. They collectively address the objectives we believe are paramount in the legislation.

Since the many bills introduced into the Congress incorporate a wide variety of elements, I will not address any particular bill specifically. Instead, I will address those elements we consider important to the success of the legislation, based on our evaluation of the problem.

(1) The educational benefit should be non-contributory and available to all personnel after serving a minimum of 24 months, beginning on the effective date of the legislation.

(2) We recommend that the entitlement be up to $3000 a year in tuition and fees with a maintenance or subsistence allowance of $250 a month while in school. In 1981 the average cost of tuition for all educational institutions in the United States is $1742.00, an increase of 16 percent over the 1979-80 school year. We can anticipate a similar increase for the school year 1982-83. As a matter of interest to the Committee, the overall average for tuition for various two and four year colleges and universities is:

Public two year institutions $400; private two year colleges $2118; public four year colleges $730; public universities four years $900; private universities four years $4479.00. We were unable to obtain the average figures for private four year colleges, but estimate them to be between $3,500 and $4,000.

It is our opinion that the above ceiling on tuition and fees will offer an excellent opportunity for an education to all prospective students for the next several years. We have no doubt, however, that this figure may need adjustment in the next four or five years if inflation continues. However, it is our belief that some limit must be placed on the amount of entitlement to make it fair to all eligible participants and permit the responsible agency to properly budget for the program.

(3) As a minimum, we recommend an entitlement of one month of educational benefit for one month of active duty service up to a maximum entitlement of 36 months. This maximum entitlement will permit the individual to participate in a program resulting in a bachelor degree.

(4) We recommend that provisions be included in the legislation allowing a sabbatical or leave of absence from service at the discretion of the Secretary concerned. It appears to us that encouragement of such an educational leave program would decidedly improve the quality and efficiency of the Force and would be especially

beneficial in the case of enlisted personnel operating and servicing modern military equipment and weapons systems. Many courses in theory and practical courses in technology and administration are available at Technical, Community and Junior colleges, typically within a short distance of most military installations.

(5) The inclusion of a voluntary contribution option in the legislation with DoD matching funds on a one-to-one basis, will permit the individual the opportunity to supplement his or her educational entitlement and the opportunity to extend his or her education beyond the bachelors degree. It also would provide additional funds which he/she might use to attend a private college or university with a tuition greater than the $3000 limit. Such an element will probably be inviting to those servicemen and women seriously seeking self improvement and/or a degree from a name college or university.

(6) The legislation should provide entitlement for Reserve Components personnel to education benefits with provisions for part-time study. We recommend that the Reserve Component entitlement also be non-contributory and available to all personnel after serving a minimum of 24 months beginning on the effective date of the legislation. Further, the Reserve Components should be earned at the rate of one month of educational benefit for each two months of service in the Reserve or National Guard.

The Reserve Educational Incentive program must recognize the need for flexibility and the local orientation of the Reserve or National Guard member. Provisions which permit the member to participate in Technical, Community or Junior College (especially in the case of enlisted personnel) as a part-time student toward accumulating a full year of college credits (over a period of perhaps two to three years) in the pursuit of an associate degree or bachelors degree will be very important to this program. Such a program will contribute to improvement of the educational level and efficiency of our Reserve forces, especially in the NCO ranks.

(7) The educational benefit should be used within a ten-year period following separation or discharge from either the Active or Reserve forces, and the separation or discharge must be under honorable conditions (Honorable discharge) to establish eligibility.

(8) The proposition of transferability of the entitlement to dependent children presents many questions in our minds and our inclination is to recomend against its inclusion in the legislation except in cases where such children are ineligible for military service because of physical disability.

In this connection we would like to express a few thoughts on this matter which should be given serious consideration in your deliberations.

Children of an age to benefit from transferability of the educational benefits will also be of an age at which they may enter the Service and earn the benefit in their own right. By permitting the transfer of the benefit the government potentially eliminates these young persons as candidates for military service, thus reducing the number available for recruitment.

Transferability defers a cost to cover the dependent children into the future, 20 to 25 years. Rough guess estimates made in 1979 on transferability amounted to about $360 million a year in 1979 dollars. A projection of this cost escalating into future year dollars could amount to a substantial burden on the responsible agency's budget. We are sympathetic to the objective of retention through such a mechanism, but we feel the potential retention of personnel must be evaluated against the potential monetary burden to current and future budgets and authorizations. Part of our concern is rooted in the Administration's dilemma with and thrust to reform the student assistance programs, the Guaranteed Student Loans and the Pell Grant Programs, in size and scope.

The Administration plans to focus these programs "on the truly needy" and to emphasize the traditional role of the family and the student in contributing to meeting the costs of higher education (Reference: "A Program for Economic Recovery" page 2-3). On the other hand, the President established as an overriding priority the allocation of "sufficient budget resources to rebuild the nation's inadequate defense capacities" (Reference: "A Program for Economic Recovery" page 8). In view of the above we believe the Educational Incentives program must be directed to the President's objectives for Defense and specifically to acquisition and retention of personnel, while simultaneously upgrading of the quality of the force. It must not at this time include elements for compassionate or other reasons which would be nice to have and may obliquely impact on defense readiness.

(9) The funding and justification of the program is a matter of some concern to us, especially in view of the trends indicated in budget cuts. In our opinion, the Department of Defense is the principal beneficiary in this program and is the likely agency to justify the program and budget for it. The educational incentive is intended to attract recruits and retain personnel in the several Services. It also has the poten-

tial of upgrading the educational level of our Armed Forces personnel and the quality of their performance. Further, the new Administration has committed itself to improvement of our defense posture, and the educational incentive program is directly related to the goal.

The Veterans Administration already has many years of experience and has an established management system for the old GI bill. In recognition of this fact, we believe that the VA is the best agency to administer the program. We therefore recommend that the DOD budget for and justify the program, and transfer the funds to the VA for the administration of it.

Early in my testimony I mentioned two other approaches to the problem in the form of the bills introduced by Congressman Hunter, H.R. 815, and Senator Chafee, S. 665. These two measures supplement the Educational Incentives bill, and in our opinion are worthy of support as separate legislation by your Committee.

Congressman Hunter's bill, H.R. 815, recognizes the service member who has already earned an entitlement under the GI bill, but because of the 1989 limitation date, may not be able to exercise that entitlement if he/she remains in service for a full career. Congressman Hunter's bill would extend the deadline to six years beyond the separation or discharge of the individual eligible service member even if the period extends beyond 1989.

Senator Chafee's bill, S. 665, is an Educational Loan Forgiveness bill. To our knowledge, no similar separate bill has been introduced in the House. The purpose of this legislation is to provide an incentive to young men and women (with at least two years of college education) to serve in the Armed Forces. The motivating factor is the forgiveness of educational loans incurred while in college. This legislation contains an inviting feature: the potential of improving the educational level and quality of our forces. Last year the Congress authorized a program similar to that proposed in this legislation. The bill is in effect an expansion of last year's program by extending its duration to 1983 and accelerating the rate of educational loan forgiveness by allowing the Secretary of Defense to offer this incentive to both officers as well as enlisted personnel.

Mr. Chairman, this concludes my testimony on this matter and I stand ready to answer any questions you or the Committee may have.

PREPARED STATEMENT BY MAJ. GEN. FRANCIS S. GREENLIEF (RET.), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Mr. Chairman, and members of the committee, I welcome this opportunity to appear before you in support of H.R. 1400, a bill to establish a new educational assistance program for veterans and for members of the Armed Forces.

Our Association supports the concept of providing educational assistance as an incentive to improve the ability of the armed services, including the National Guard and Reserves, to enlist and reenlist more highly-qualified men and women. We, therefore, urge consideration of all of the several "G.I. Bills" which have been introduced. We urge that the final bill incorporate the best features of all of those bills.

As I understand it, the original post-World War II G.I. Bill, the Veterans' Adjustment Act, was established to compensate veterans for the period of their lives which they had given over to military service and which was that period during which young men and women would normally have been securing their futures. The Congress sought to provide them with educational assistance and other significant benefits to prepare themselves for their post-service vocations.

Although there is today no declared national emergency, America's military manpower problem is an emergency situation. Young men and women who today volunteer to serve their nation on active duty, and in the National Guard and Reserve, are giving up time which they could otherwise devote to vocational and career development. It is, therefore, right, proper, and, in our view, essential that today's volunteers for military service should be provided educational assistance.

THE MANPOWER PROBLEM

The records of the Committees on Armed Services and the Committees on Appropriations of both the House and Senate are replete with testimony on the manpower problems of both the active duty military forces and the National Guard and Reserve military forces.

Nothwithstanding the apparent reluctance of the Department of Defense to support a G.I. Bill at this time, Army leaders provided strong arguments in support of a G.I. Bill in testimony before the Committees on Armed Services earlier this year.

As a nation, we did away with military conscription. However, we have substituted conscription by economic duress. A large segment of military enlistees join the active services because they are unable to get better jobs in civilian life. At the same time, the Government is so free with educational assistance that practically any person with the desire, attitude and aptitude for higher education—academic or vocational—can obtain an education by means of Government-sponsored loans. I understand that the annual cost to the Federal Government for these programs is $4.8 billion. We gather that a majority of the college-eligilible people regard military service as an obstacle to the achievement of their long-range goals. A generous G.I. Bill, one that offers benefits superior to those currently inherent in Government student subsidy programs, could cause young men and women to seek military service as a way of achieving their own education and training goals.

THE NATIONAL GUARD AND RESERVE MANPOWER PROBLEM

Although the Army National Guard (ARNG) has achieved a net personnel strength gain during the past two years, a severe manpower shortage continues to exist. A similar problem exists in the United States Army Reserve. The fiscal year 1980 strenght of the ARNG was 366,585. Although the fiscal year 1980 end strength was 8,000 greater than the budgeted end strength, it was 77,400 short of the ARGN's wartime strength requirement of 444,000.

Probably the most serious military manpower shortage exists in the Army's pool of pre-trained military manpower—the Individual Ready Reserve (IRR).

The purpose of the pool of pre-trained manpower is to provide a source of trained soldiers to fill active Army units, to fill Army Guard and Reserve units, and to provide Army combat loss replacements until the Selective Service System and the Army training base can begin to provide trained manpower.

It is estimated that between 500,000 and 600,000 pre-trained persons are required. Currently there are only about 200,000 pre-trained personnel to meet that requirement. Although the DoD estimates that the IRR will increase to about 255,000 at end fiscal year 1982, the shortage is still significant, and no one knows how many IRR members can actually be identified, and located. Nor does anyone know how many of those personnel are actually available for wartime service. We believe that not more than 70 percent of those people can be counted on to serve.

SOLVING THE PROBLEM

To the extent that Guard and Reserve units can be brought to 100 percent of wartime strength, the demand for pre-trained personnel can be lessened. However, the demand for combat loss replacements can only be met by filling the IRR. We believe the IRR can be filled only by some sort of draft, or by means of an incentive which will cause a greatly increased number of personnel to enlist in the Army for a period of two or three years, after which they will complete their military service obligation in either the Selected Reserve or the IRR.

H.R. 1400, and a number of the other "G.I. Bill" proposals, is such an incentive. In our view, a sufficiently generous "G.I. Bill" will cause men and women to enlist in the Army for two or three years of active duty. Those personnel would be required by already existing law to serve four or three years in the Selected Reserve or in the IRR to complete their six-year military service obligation.

We support all of the provisions of H.R. 1400.

We know that there is some opposition to the transfer, or pass through, authority included in H.R. 1400. We, however, believe that the transfer authority provisions would help solve the retention problem which all services currently suffer.

The special provisions of H.R. 1400, which would permit the Service Secretaries to provide pre-active duty paid technical training to high school graduates, is unique. This provision would provide personnel with special aptitudes to enter service with already-acquired skills needed by the military forces. This training would permit those enlisted personnel to advance in military rank and pay grade more rapidly than their contemporaries. The higher pay which these pre-trained soldiers could earn could be expected to cause them to serve on actice duty longer, thus helping to solve thee retention problem.

H.R. 1400 (Montgomery), S. 25 (Armstrong), S. 5 (Warner), S. 7 (Thurmond), H.R. 1206 (Whitehurst), and H.R. 135 (Bennett), all provide additional "G.I. Bill" eligibility and benefits for service in the Guard and Reserve. It is recommended that these provisons be included in the G.I. Bill which is finally enacted. Failure to include benefits for Guard and Reseve service would produce legislation which fails to address the full range of our military manpower problems.

There is little value in solving the military manpower problems of our peacetime military forces if we fail to solve the military manpower problems of our wartime military forces.

The Armstrong, Warner, Whitehurst, Bennett, and, perhaps other bills, all provide for the payment of tuition costs. We urge that authority for the payment of tuition costs be added to H.R. 1400.

Mr. Chairman, while we fully support H.R. 1400, and the G.I. bill concept, we believe there are better and cheaper solutions.

We continue to believe the most effective and cheapest way of solving our military manpower problem is to reinstate the draft, at least for service in the IRR. We continue to support, and urge the enactment, of H.R. 1500, also introduced by Rep. Montgomery.

We believe the current $4.8 billion educational grant and loan programs could provide a powerful incentive for military service, if military service is required as a qualifying condition for eligibility for those current grant and loan programs.

Unfortunately, the alternatives to G.I. Bill which we propose are apparently politically unattainable. We, therefore, strongly urge the enactment of H.R. 1400 with amendments during this first session of the 97th Congress.

Finally, Mr. Chairman, we find it strange that in the midst of a much needed, build up of U.S. military strength—perhaps the most significant in American history, the Administration and the Congress has the courage to scale back the cost of social welfare programs, but apparently lacks the conviction to required military service of our young men.

Mr. Chairman, I appreciated your having provided me the opportunity to present the views of the National Guard Association of the United States.

PREPARED STATEMENT OF THE RETIRED OFFICERS ASSOCIATION

Dear Mr. Chairman: I am Colonel George F. Hennrikus, Jr., United States Air Force Retired, Chief Legislative Counsel of The Retired Officers Association (TROA), which has its National Headquarters at 201 North Washington Street, Alexandria, Virginia. Our Association has a membership of over 293,000 retired, former and active duty officers of the seven Uniformed Services. Included in our membership are 35,000 widows of former members. On this occasion I am also pleased to represent the Retired Enlisted Association of Colorado Springs, Colorado.

The testimony offered this committee by prior witnesses more than adequately supports the need for re-institution of a meaningful, easily understood and administered program of educational incentives for the armed forces. As stated many times during this hearing, such a program may be the last possibility for maintaining a successful all volunteer force. Our organization feels that the program finally adopted must have a positive impact on both recruiting and retention of qualified people.

Although H.R. 1400 and all the Bills offered in both Houses have attractive features, we respectfully offer a modification for the committee's consideration.

All four year enlistees who are high school graduates and qualified for college entrance would, at the completion of basic training or boot camp, complete two years of college-level academic requirements at an accredited institution selected by the individual. Individuals would receive E-1 pay and allowances during first year of the enlistment and would then be promoted to E-2. Tuition would be paid by the parent service. During this two year period, militay service would continue in a Reserve or National Guard unit—one weekend per month and thirty days of extended active duty each year—or in 60 days per year of extended active duty with a unit of the regular component, whichever is more practical. These two years would be followed by two years of extended active duty.

Those accepted for a second enlistment would complete two more years of educational training, coupled with the military training outlined for the first two years, and would then complete the enlistment with two years of extended active duty or four years' service with the organized Reserve or the National Guard.

If an individual should, at any time, fail to maintain satisfactory academic standards or credit hour workload, he or she would be returned to active duty to complete the remainder of the enlistment.

An option should also be offered for those who wish to complete their enlistment prior to entering college. This could be similar to the educational benefit provided Korean veterans under P.L. 82-550. For still others who wish to continue service, provisions could be made for reserving or "banking" two years of educational assistance for each 4 years of extended active duty up to a maximum of 48 months. For this group the tuition portion of the benefit would be transferable to a wife or children after completion of ten years' extended active duty.

We feel that such a plan would be easily understood by the average 18 year old and by his or her parents. It would offer an immediate incentive and the services would benefit directly from the program in the form of continued service by more highly educated personnel. In its cost-sharing feature for transfer arrangements, it would reduce some of the high costs implicit in such a provision.

Two final points: We believe it is absolutely essential that the educational loan and grant programs offered by the Department of Education must be restricted to the point that they would not compete with the armed forces program. Also, we would ask that this benefit be restricted to individuals accomplishing honorable service, or, where appropriate, to those with honorable discharges.

We sincerely hope these suggestions prove to be helpful. We all share the conviction that this Nation must develop and maintain a war-winning capability, the only credible deterrent to war, and, futher, that the most essential element of this capability is dedicated, responsive people. The foregoing is offered as one possible means to help achieve this end.

PREPARED STATEMENT OF RICHARD W. JOHNSON, JR., ASSISTANT DIRECTOR FOR LEGISLATION ON H.R. 1400 AND SIMILAR PROPOSALS MARCH 24, 1981

The Non Commissioned Officers Association of the USA (NCOA) is the Nation's largest professional military enlisted association. It has more than 249,000 members who are located in the United States, Europe, Korea, Central and South America, Asia, Africa and wherever there are military personnel stationed to man America's defenses.

Currently, 83.7 percent are on active duty with the Army, Navy, Marine Corps, Air Force and Coast Guard. Many are also active in more than 200 Chapters worldwide. Their input on issues affecting the well-being of military personnel, dependents and surviving spouses is constant. Unlike most quasi-military organizations, NCOA representatives do not have to go to the field to experience the pulse of its membership. Instead, chapters provide a steady stream of information to NCOA headquarters offering the staff pertinent facts on which to base its legislative pursuits.

The G.I. Bill is an example of how the system works.

Prior to 1975, military recruiters asked NCOA to oppose the demise of the wartime veteran's education assistance program. They advised the Association that its termination would greatly affect future quality in the armed forces. Unfortunately, the program was phased out at the end of 1976 and, subsequently, the recruiters' warnings became fact.

Following the end of the Vietnam Veterans' G.I. Bill, military recruiters and reenlistment NCOs again approached NCOA. They asked for a new education assistance program similar to the previous one. Again, the Association went to work to assist the recruiters and for years was the only organization of its kind actively pursuing a new G.I. Bill.

A NEED FOR A NEW GI BILL

It has been five years since Congressional action deprived young service volunteers of the education and training opportunities given their prior-service counterparts. The Non Commissioned Officers Association of the USA (NCOA) opposed that congressional action. It is one of the few organizations that foresaw the manpower crisis which followed. Space could be used here to discuss the personalities and politics leading to the termination of the program, but it will be of little value to a discussion proposing a new G.I. Bill.

NCOA has been the most vocal proponent of a new G.I. Bill. The Association began its efforts to revive interest in the program immediately following the demise of the old bill in 1976. In the years since, NCOA has managed to author its own proposal and stimulate some members of Congress in getting involved. One was Congressman Bob Wilson (CA), now retired, who sponsored the Association's proposal in the House. The Senate companion bill was introduced by the Honorable William S. Cohen (ME).

By 1980 interest developed to an action level. The House Armed Services Committee (HASC) hurriedly put together a test proposal which was adopted by Congress. The result was a lead-in to mild euphoria within the Defense establishment. Some saw it as a panacea for the manpower problems of the All-Volunteer force. However, HASC did not consider either the interest in or the needs of the veteran in constructing its test program.

Formerly, education assistance programs were created to help veterans readjust to civilian life. They also offered an opportunity to educate oneself offsetting the years of military service that could not be used to attend school. Additionally, their development through the post-World War II and Korean eras produced a final product during the Vietnam era that called for the enhancement of service life and in aiding recruiting and retention in the armed forces.

Logically then, an approach to forming a new G.I. Bill must contain a consideration of priorities. Will the proposal be aimed at enticing a person to enlist or reenlist in the military service or a reward to veterans of voluntarily and honorably serving the Nation? Can it be for both?

These questions lead to other inquiries that must be answered before a new proposal is pieced together. For example, is there a need to develop the program for one but not the other?

Who should fund for and administer the program—Defense or Veterans Administration? Are Veteran education programs cost-effective?

How generous can the program be? Who will receive the benefits? Should there be further enhancements or incentives for certain recipients?

To the questions, NCOA offers the following comments. Hopefully, they will be of value to those putting together the final program.

Question. Is a new G.I. Bill needed and for whom?

Answer. A new program is needed for both groups as an incentive to voluntarily enlisting or reenlisting in the Armed Forces and as a reward for honorable services rendered to the United States.

Question. Why is it required as an enlistment and reenlistment incentive?

Answer. Since the demise of the old G.I. Bill, both quality and quantity have suffered in the structure of the current forces. Without considering the draft years, the period between 1973 and 1976 proved that post-service education benefits will attract sufficient numbers of quality people. Surveys have further attested to this fact. The 1977 polls proved conclusively that this one incentive was the most important reason for serving. In studies conducted after the old G.I. Bill was terminated, eduction remained in the top ten even though there existed no "real" post-service education benefit, will increase significantly the number of people willing to join the armed services.

Question. Is it required as a reward for services rendered?

Answer. Today's veterans should be as entitled to education assistance as yesterday's veterans. They should have equal opportunities. There should be no distinction between current "peacetime" veterans and "wartime" veterans who did not serve in a hostile environment. They both have offered themselves to service to the Nation. Some have died and some will die of noncombatant diseases or injuries while others have suffered and will suffer disabilities for life. A veteran is a veteran and the Veterans Administration should accept its responsibility to all veterans of all periods of service.

Question. Who should fund for and administer the progran?

Answer. Because of its experience in providing services to current veterans undergoing educational assistance programs, the Veterans Administration should be tasked with administering the program. In addition, the VA should fund the basic program which should not be any more generous than the current G.I. Bill. Added incentives, subject to the needs and requirements of the military departments, should be funded by the Defense Department.

Question. Are veteran education programs cost-effective?

Answer. Past G.I. education plans have provided and continue to provide the Nation with quality leaders, businessmen, educators and scientists. Many people allege that the G.I. Bill gave the U.S. its technological edge following the World War II period. In addition, the national treasury enjoyed greater tax revenues because veterans were able to earn more with scholastic credentials.

The U.S. Treasury reported in 1975 that the G.I. Bill was cost-effective. Through increased revenues from G.I. Bill-trained veterans, the monies were offsetting the costs of education benefits, in fact, 3 to 1. Whether it can be cost-effective if more than basic benefits are provided remains unanswerable for there are no statistics to draw from past experiences. Nevertheless, Congress should pay no more than necessary to attract quality personnel into the Armed Forces and reward them for services rendered.

Question. How generous can the program be?

Answer. The finished product can have as many benefits as Congress decides to make available to the qualified recipient. But in making its decision, Congress should recall the experience factors that apply to the old G.I. Bill. For example, a 1975 Army study showed that at least 25 percent and, perhaps, as much as 36 percent of all new recruits joined for G.I. education benefits. At the time, the assistance payments offset more than 50 percent of the average veteran's living and education costs while in school. Today's increased costs have diminished the value of the assistance dollar. Now, it meets less than 40 percent of the veteran's needs. It is apparent that the older programs were not designed to totally offset the cost of an education and, in the case of the veteran, did offer adequate benefits to appease his or her desire for assistance. Therefore, it may be said that the payment structure and purpose of the program were extremely successful. It is then a reasonable assumption that a new plan—structured similar to its predecessor—will be as acceptable to tomorrow's veterans as the old program was to yesterday's veterans.

Question. Who will receive the benefits?

Answer. Benefits provided in the new G.I. Bill should be given to those who complete a designated term of honorable service. The benefits will be available for a period of 10 years following the veteran's last discharge or release from active service. Any transfer provision authorizing the eligible veteran to pass on his or her entitlement to a dependent should be contributory. A $2 for $1 contribution may be a satisfactory return for the veteran's investment. Such an entitlement then will become a vested right and not a moral one as is the case with current military and veteran's benefits.

Question. Should there be further enhancements or incentives for certain recipients?

Answer. Perhaps. However, the basic plan should be offered first. If it is not successful, then other incentives may be added. Whatever is added will cost more money. Hopefully, the Congressional memory is sound enough to recall $5.028 billion in education benefits paid in fiscal year 1976. That year, nearly 3 million veterans were in training. If all had been full time students, the cost would have been $11.2 billion. If a new G.I education program is adopted, three million service members will be eligible for its benefits in 11 years. And, if the transfer provision is added to the bill, about 80,000 veterans annually will become eligible to pass on to a dependent their eligibility for benefits. Assuming that eighty percent (64,000) of those use or pass on to a dependent who uses the benefit at eighty percent of the current rates ($9,600), the cost of benefits may total $614.4 million for each year group. That will require an annual outlay of $153.6 million for each year group enrolled in training. The cost will approach $4 billion per annum in its most expensive year if rates remain at the current $342 per month. The annual cost of a dependents' program could easily exceed the outlays for veterans using the benefits themselves. In any case, a dependents' education program paid at current rates will cost about $2,000 per year for each service member over 10 years of service and would rise geometrically for the service member who serves less than 20 years. NCOA believes that future and current service members are not greedy people. They will probably realize they will not become rich while in service. Yet, they will be and are concerned for their future and their family's future. A pragmatic individual will recognize the effect a dependents' education provision will have on service retention. But he or she will also see the need to temper the benefits with reasonable cost considerations.

In summary, consideration of the above comments will allow development of a program that provides sufficient incentives to have people join the armed forces. It will be administered and basically funded by the VA but the Defense Department will pay for costs that are directly related to service recruiting and retention. Educational assistance payments made under the program will be no more generous than needed to do the job but they will be sufficient to offset at least half the cost of an education. Finally, it will assist the veteran in providing an education for his or her children.

Senator Cohen and Representative Emory have introduced such a bill in the Senate and House respectively.

Under its provisions a veteran who serves honorably may earn up to 36 months of educational assistance. During any period of enrollment the veteran will be paid the same amount of money as is paid to his counterpart from the Vietnam era. This basic education benefit will be funded by the VA.

The proposal also has a dependents' education assistance program. It allows the service member to deposit money in an education fund. The amount of each deposit will be doubled by the Defense Department and placed in the same fund. These funds will then be used for the education of one or more of the veteran's children. Only individuals who have children and who are seriously interested in their education will make the kind of sacrifice necessary to participate in this program. For this sacrifice, they will be rewarded. The government contribution will amount to about 14 to 22 percent interest on contributions made to the fund over a 10 year period.

Another provision in the bill deals with an educational leave of absence program for service members. This program will allow those persons who want to remain in the armed forces a chance to complete their education without sacrificing service tenure.

Overall, the bill represents a thoughtful and comprehensive approach to creating a new G.I. education program. It took many hours, days and weeks to develop this bill. Accordingly, the many members of the House and Senate staffs who contributed to this effort are to be commended.

One final thought. The success of any new G.I. Bill will rest in the perception of equity. The benefits must be applied equally to all. There can be no enhancements for some while discriminating against others. The bill can not be used as a bonus to entice only selectively qualified young men and women. We can not and should not build a wall of irreconcilable differences between members of the armed forces or veterans of the past, the present and of the future.

Congress should move expeditiously to enact this proposal.

Prepared Statement of Stephen L. Edmiston, Administrative Assistant, Disabled American Veterans

Mr. Chairman and members of the subcommittee: On behalf of the more than 686,000 members of the Disabled American Veterans, I wish to thank you and the members of the Subcommittee for providing us this opportunity to express our views on legislation presently pending before the Subcommittee that proposes to establish a new program of educational benefits for peacetime veterans.

At the outset, Mr. Chairman, the DAV would like to take this opportunity to express our sincere appreciation for the efforts of this Subcommittee which precipitated the enactment of Public Law 96-466, the Veterans Rehabilitation and Education Amendments of 1980. After more than 30 years, the educational program designed to meet the needs of service-connected disabled veterans has finally been improved and modernized, and for this, the DAV is most grateful.

As you know, the DAV membership is composed of honorably discharged veterans who were wounded, injured or otherwise disabled in the wartime military service of their country. Therefore, it follows that our organization is primarily concerned with veterans' educational benefits provided by the vocational rehabilitation program under Chapter 31 and the survivors' and dependents' educational assistance program provided under Chapter 35 of Title 38, U.S. Code.

However, though our organization was founded on the principle that, in terms of veterans' benefits and services, this nation's first obligation rests with the rehabilitation of its service-connected wartime disabled, the DAV is also concerned with those federal programs which have been designed to enhance the educational opportunities of veterans in general.

Additionally, due to the purpose of the legislative proposal pending before the Subcommittee today, I wish to stress that the DAV endorses and supports a strong national defense to insure that the United States Armed Forces are second to none.

H.R. 1400

H.R. 1400 proposes to amend Title 38, U.S. Code by adding a new Chapter 30 to establish a new program of educational assistance for veterans and members of the Armed Forces.

The stated purpose of the proposed new program of educational assistance is, ". . . (1) to provide an improved educational assistance program to assist in the readjustment of members of the Armed Forces after their separation from military service; (2) to promote and assist the All-Volunteer Force program and the Total Force Concept of the United States Armed Forces by establishing an improved program of educational assistance for service on active duty and in the Selected Reserve and National Guard to aid in the recruitment and retention of highly qualified personnel for both the Active and Reserve components of the Armed Forces; and (3) to give special emphasis to provide educational assistance benefits to aid in the retention of personnel in the Armed Forces who have skills and critical specialties in which there are serious shortages of personnel in the Armed Forces."

As proposed, H.R. 1400 could provide an eligible serviceman with a maximum of 36 months of basic educational assistance, at the rate of $250 per month for full-time training, for the satisfactory completion of three years continuous active duty or two years continuous active service coupled with four years continuous duty in the Selected Reserve.

Additionally, an eligible serviceman who serves at least six years of continuous active duty or at least two years active service together with eight years of continuous duty in the Selected Reserve could receive not only the maximum 36 months of basic educational assistance at the rate of $250 per month, but an additional supplemental educational assistance allowance of $300 per month, totalling $550 per month in educational assistance benefits.

Furthermore, if a serviceman has served three or more years of continuous active duty and the Secretary of Defense determines that the serviceman haa a skill or specialty in which there is a critical shortage, the Secretary of Defense may provide additional educational assistance as he deems necessary, in addition to any basic or supplemental educational assistance to which the member is entitled, for the purpose of attracting or retaining the individual in the active Armed Forces.

The proposed legislation also makes provisions to permit the Secretary of Defense to authorize a serviceman whose skill or specialty is considered to be in critical shortage and who has served more than 8 years, but less than 12 years, of continuous active duty to transfer all or part of his educational assistance entitlement to one or more of his dependents.

However, use of the educational assistance by the dependents to whom it was transferred is restricted to the period of time that the service member is on active duty, or upon completion of 20 years of active military service.

The bill would also provide the Secretary of Defense with the authority to enter into preservice educational assistance agreements with individuals who would serve a specified period of obligated service on active duty or in the Selected Reserve after utilizing the educational assistance for which they contracted.

Educational assistance provided under this provision of the bill would be limited to a maximum of 36 monthsof entitlement during which the individual could receive a maximum of $300 per month in subsistence allowances for full-time educational training.

The delimiting date for use of the basic and supplemental educational assistance proposed by H.R. 1400 is ten years following the date of the serviceman's last discharge or release from active duty. For dependents who have received educational assistance entitlement by transfer from the service member the entitlement period ends ten years after the date they begin using the educational assistance or ten years following the date upon which the service member's entitlement period began, whichever occurs first.

As proposed, H.R. 1400 directs the Veterans Administation to administer the educational assistance programs established by the bill. The proposal further mandates that basic educational assistance benefits established by the bill must be paid from VA appropriations and the educational benefits payable under the other programs established by the bill would be made from Department of Defense appropriations.

Inasmuch as the proposal is designed to "promote and assist the all volunteer force program and the total force concept," the bill requires the Secretary of Defense and the Administrator of Veterans Affairs to submit separate reports on the operation of the program to the Congress at least every two years.

Section 3 of the bill makes a number of amendments to coordinate the proposed new Chapter 30 with existing educational programs.

Specifically, the amendments would enable an individual who is eligible for educational assistance under Chapter 31 and who also has eligibility for educational assistance under the proposed Chapter 30, to select the program which is more advantageous.

Furthermore, the amendments made by Section 3 would also automatically disenroll any individual in the Chapter 32 educational assistance program (and return their contributions) when they became eligible for the proposed Chapter 30 program.

Section 4 of H.R. 1400 will terminate a serviceman's right to enroll in the Chapter 32 education assistance program after December 31, 1981 and Section 5 of the bill will extend the Department of Defense's pilot educational loan repayment program for two more years (to October 1, 1983).

The provisions set forth in H.R. 1400 would become effective October 1, 1981.

Mr. Chairman, the DAV does not view H.R. 1400 in the context of veterans' legislative proposals that are traditionally the purview of this Subcommittee. That is, this bill does not represent a proposal for a new or improved program of educational readjustment benefits designed to meet the needs of veterans who have set aside or temporarily postponed higher educational pursuits because of their active military service obligation.

Without a doubt, the fundamental purpose of H.R. 1400 is not to assist veterans in their efforts to regain their educational pursuits and become productive members of society as did the educational programs following World War II, Korea and Vietnam.

Without question, Mr. Chairman, we all recognize the pending legislation as a proposal which is designed and intended as a recruitment and retention incentive for the all volunteer military force.

It is no secret that the all volunteer force is in serious trouble, that it has fallen short of its recruiting goals and has had great difficulty in attracting and retaining high quality enlistees.

Mr. Chairman, we have noted that the pending legislation has taken appropriate steps in an effort to insure higher quality personnel. Specifically, the bill requires that each serviceman must be a secondary school graduate or have a high school equivalency certificate in order to qualify for educational assistance under the proposed programs.

Additionally, we are most pleased to note that a service member who is discharged early (prior to completing 30 months service) by reason of a service-connected disability will retain basic entitlement and eligibility to the proposed Chapter 30 educational assistance benefits.

Since the legislation before this Subcommittee today would provide the Department of Defense with a needed recruitment and retention device, the DAV has no quarrels with such Congressional efforts to improve our military forces. However, we do object, as proposed in H.R. 1400, to the Veterans Administration "picking up the tab" for even a portion of a DOD recruitment and retention program.

As you know, Mr. Chairman, the Veterans Administration has been in the business of administering educational programs to this nation's veterans for more than 30 years. Without a doubt the VA has the experience and expertise in administering such programs. Therefore, the DAV would not object to the VA administering such a program, so long as the Department of Defense is responsible for all the necessary funding for entitlements.

Quite frankly, Mr. Chairman, the DAV has reservations regarding the potential effectiveness of the programs proposed by H.R. 1400. That is, we question whether or not these programs will produce the desired results in terms of attracting and retaining higher quality personnel in the active forces and the Selected Reserve.

Our reason for raising this concern primarily rests with the fact that today, college age students are entitled to federally insured, subsidized loans, regardless of family income. Federally insured loans for college educations without any accompanying obligation for military service would appear to be far more attractive to these young people than the programs proposed by H.R. 1400.

However, we do understand that the Administration has proposed to change the federal loan formula, as well as, tighten the requirements for Basic Educational Opportunity Grants (BEOG). If the Administration's proposal becomes reality, then the programs proposed by H.R. 1400 may become more attractive to a greater cross section of American youth.

Also, we do wonder if it would not be more advantageous to await the results of the pilot program of educational assistance authorized by the Department of Defense Authorization Act of 1981 (P.L. 96-342).

Since this program has only been in existence a mere six months, the Subcommittee might wish to consider that enactment of another military recruitment and retention educational assistance program may be somewhat premature and counterproductive. This may be particularly true in light of the Administration's proposed cuts in the other federal education programs.

Before concluding, Mr. Chairman, and though not related to the pending legislation, I wish to bring to the attention of the Subcommittee the fact that the Administration's revised Fiscal Year 1982 budget request fails to provide the necessary $4 million to implement the improvements in the VA's vocational rehabilitation program for service-connected disabled veterans as authorized by Public Law 96-466.

Mr. Chairman, the DAV is deeply disturbed that the Administration has failed to keep faith with this nation's service-connected disabled veterans and particularly the educational program designed to assist them in overcoming their handicaps and returning to the mainstream of American society.

The DAV urges you, Mr. Chairman, and all the members of this distinguished Subcommittee to support adequate funding for the vocational rehabilitation improvements provided by Public Law 96-466.

In closing, Mr. Chairman, I wish to reiterate that the Disabled American Veterans does not object to innovative approaches to improving and strengthening the all volunteer force through educational assistance programs. Nor would we object to the VA administering such programs, so long as the Department of Defense maintained the responsibility for bearing the cost of entitlements for all the programs proposed by H.R. 1400.

That concludes my testimony, Mr, Chairman. I again wish to thank you and the members of the Subcommittee for providing the DAV the opportunity of appearing here today.

PREPARED STATEMENT OF GEORGE A. CONN, NATIONAL LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. Chairman and Members of the Subcommittee, Paralyzed Veterans of America sincerely appreciates this opportunity to express our views regarding H.R. 1400, the "Veterans' Educational Assistance Act of 1981," and similar proposals.

Educational assistance programs for veterans have proven to be among the most beneficial and cost-effective programs administered by the Veterans Administration. Millions of veterans have utilized these programs to successfully make the transition from military to civilian life, to enhance their career potential and to achieve employment goals. The costs of these programs have been repaid by veterans through their increased productivity and improved earnings capability.

It should be noted that educational assistance programs for veterans have historically been to facilitate readjustment to civilian life and to recognize service to the nation. The G.I. Bill may have served as an inducement for certain individuals to enter the military but its primary purpose has been to assist veterans after leaving the service.

Mr. Chairman, H.R. 1400, "The Veterans' Educational Assistance Act of 1981," and other similar proposals appear to be directed at the problems of recruitment and retention presently being experienced by the Armed Forces and not at the current and future readjustment of veterans. These legislative proposals do not attempt to deal with the educational needs of today's veterans nor do they offer needed improvements in existing programs contained in Title 38, United States Code.

Last year PVA testified before this Subcommittee and stated that the needs of many veterans were not being met by existing programs. We noted the need for increased emphasis of on-the-job training and for programs which provided for non-traditional educational endeavors. These observations were based on the continuing unemployment and underemployment of many veterans. This situation has not changed and these needs still exist.

PVA staunchly supports the need for a strong and viable American military and does not contest the concept of using improved educational benefits to recruit skilled and talented individuals. However, we request that the Members of this Subcommittee review the existing educational needs of veterans who have already served the nation and to address these needs. The creation of a new program of educational benefits for future veterans will serve as little inducement for enlistment if the obvious needs to today's veterans are not met.

Mr. Chairman and Members of the Subcommittee, a new educational program, worthy as it may be, will provide little incentive for men and women to serve the nation if they are aware that other commitments made to veterans have been reduced or ignored. Last year the 96th Congress passed Public Law 96-466, the "Veterans' Rehabilitation and Education Amendments of 1980." This law provided for the comprehensive restructuring of Chapter 31 of Title 38, United States Code. This new, comprehensive program was based on the most modern rehabilitation concepts which upgraded the educational and training opportunities and services for America's disabled veterans. This new program has yet to be implemented and the recently proposed fiscal year 1982 Veterans Administration Budget makes no provision for it.

Beyond our concerns for needed improvements in existing educational programs for veterans, PVA has certain reservations as to the potential effectiveness of H.R. 1400. The manpower shortages of the military appear to be most critical in the mid-level enlisted ranks and is a retention problem rather than one of recruitment. The proposed educational assistance does not seem to offer sufficient incentive for individuals who have served six, eight, or ten years when weighed against other economic considerations. Recently the Secretary of Defense addressed this issue and noted that improved levels of pay and other financial motivations were essential if talented, skilled servicemen were to remain in the military. The provision of post-military educational assistance does not address this problem and could possibly serve as a mitigating factor for certain individuals to leave the service.

PVA cannot help but be additionally concerned that the Department of Defense will be the party which benefits most from passage of this legislative proposal.

Present trends reveal that DOD's budget, unlike the VA's, is not severely restricted. If the "Veterans' Educational Assistance Act of 1981" or a similar proposal were enacted it seems that additional funding would be made available to the Department of Defense but that the Veterans Administration would have to provide their share of the cost from funds for existing programs.

Mr. Chairman and Members of the Subcommittee, PVA feels that the best way to address the problems of recruitment and retention through the use of Veterans Administration's benefits and programs is to ensure that the needs of today's veterans are adequately met. Young men and women who are considering service to the nation will recognize that the government is honoring commitments made to those individuals who have previously served in the Armed Forces and that their needs are being met. The authorization of new programs which require additional expenditures while there is a reduction of funding for existing programs and services is not an example which will induce service to the nation.

Mr. Chairman, this concludes my statement and I will gladly attempt to answer any questions you may have.

PREPARED STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

I congratulate the Subcommittee on holding early hearings on Veterans Education Benefits, and appreciate very much the opportunity to testify on this most important subject.

There is no doubt in my mind that there is great concern among all our citizens as to the shape our Armed Forces are in. Almost daily articles appear in the press concerning our readiness, our ability to wage war and win, the problem in retaining key personnel, and in recruiting and retaining the quality individuals so necessary to the future functioning of our four branches of service.

We have heard of Navy ships unable to go to sea for lack of experienced petty officers, of Army units rated non-combat ready because of a shortage of noncommissioned officers, of Air Force crew chiefs leaving the service because they are forced to moonlight in order to earn enough money to support their families.

Last year, the Congress approved pay increases for our military to try to bring them a bit more in line with their civilian counterparts. It didn't totally take care of the problem, but it did help. Obviously, pay is of a paramount concern to our service personnel.

Another area that is of paramount concern to those presently in our Armed Forces, or that may be thinking about joining, is that of education, and I again compliment the Subcommittee for their wisdom in taking up this matter so early in Congress.

As we all know, the Vietnam-era G.I. Bill went out of business in 1976, with the provision that those covered under that Act would use their benefits by 1989 or lose them. Let's face it. A young man or woman who wants to stay in the service for their full term, but who also want to avail themselves of their educational benefits have a tough decision to make. In numerous cases, these people are coming down on the side of getting out, and these are the people that we need to retain the most.

Early this session, I introduced H.R. 815, which will allow eligible veterans to receive educational assistance during a six-year period following their last discharge or release from active duty, even though that period extends beyond December 31, 1989. However, this is but a stopgap measure, designed to keep those individuals in the service who would otherwise be forced into the type of decision I just mentioned.

What is needed now is something of a more permanent nature, and that's why we're here this morning, and why you have been meeting for the last few weeks. I have talked with any number of both active duty and former service personnel on the subject, and both they and I are convinced that a new Veterans Education Benefit law would be one of the best recruiting and retention incentives that we can have.

I know there are a number of proposals that you have been considering, all of which speak to the same subject, but containing a variety of methods to accomplish the same goal. I also have introduced a proposal, H.R. 2399, which in concept is very simple, and is made up of two basic elements—providing educational benefits for our uniformed personnel, or, if he or she elects not to use the benefit, to transfer them to the children of the family.

Very simply, my bill will provide benefits at the following rate:

(*a*) $300 a month for a member with at least three years, but less than six years active service;

(*b*) $600 a month for a member with more than six years active duty, both at the rate of one month's benefit for each month of active service, with a maximum entitlement of 36 months.

Reserves will be entitled to one-half active duty benefit, with provision for part-time use, and the Reserve must satisfactorily complete two years of participation in a Selected Reserve of the Armed Forces.

Additionally, an individual may transfer unused benefits to child or children after ten years of active service or after retirement.

Just this past Saturday, I held a forum in San Diego to talk about veterans education benefits, and was overwhelmed at the response demonstrated by San

Diego's active duty community. Scores of military men and women attended the all-day session, and very succinctly, what they told me was that a new Veterans Education Benefit bill would have tremendous influence on their decision to remain in the service.

Mr. Chairman, I believe my approach is simple, substantive and covers all of the areas that our military personnel consider necessary in a new Veterans Education Benefit bill. I think it's a good bill and would hope that you will give it all due consideration.

Thank you again for allowing me this time to testify on this most important area of Veterans Educational Benefits for our servicemen and women.

COMMENTS FROM G.I. BILL FORUM, HELD MARCH 21, 1981 IN SAN DIEGO, CALIF. BY REP. DUNCAN HUNTER AND THE FLEET RESERVE ASSOCIATION

"Critical ratings should not be given any kind of additional benefits." Petty Officer 1/c

"The transferability option is of the greatest importance to me as a retention incentive." Chief Petty Officer.

"Let's face it. Education is the most attractive proposition you can offer a person in today's world where to live better, you must be better educated." Seaman.

"Going to the participatory education program was a mistake, and the G.I. Bill should be brought back ASAP." Petty Officer 2/c.

"Just bring back the G.I. Bill we had in the first place!" Sgt. Major, USMC.

"This is a good idea you all came up with." Petty Officer 3/c.

"You want better quality personnel in the military, bring back the G.I. Bill—It's as simple as that." Petty Officer 3/c.

"No time limit to use benefits." Seaman.

"The only people who should be eligible are those honorably discharged, or medically discharged." Petty Officer 2/c.

In 1985, my hitch is up. If we don't get a new G.I. Bill, I'll be gone, so that I can take advantage of the Cold War G.I. Bill. People on welfare are getting a better living and education than those of us working and protecting their country." Petty Officer 2/c.

"The G.I. Bill provides enlisted personnel with an upward mobility, and as a recruiting incentive, the G.I. Bill is the best thing that we can do." Sergeant 1/c.

"There is more involved here than just the G.I. Bill. Part of it is how to educate the military." Senoir Chief Petty Officer.

PREPARED STATEMENT OF DR. CHARLES C. MOSKOS, DEPARTMENT OF SOCIOLOGY, NORTHWESTERN UNIVERSITY, EVANSTON, ILL.

PROS AND CONS OF GI BILL LEGISLATION

Close to a dozen bills have been introduced in the 97th Congress proposing post-service education—or GI Bill—benefits for military personnel. This reflects the growing realization that the problems of the all-volunteer force (AVF) will not be fixed by incremental changes of present manpower policies. All services will greatly benefit from an AVF GI Bill, but it must be kept clear what a GI Bill can and cannot do.

The purpose of a GI Bill is to attract in an equitable manner a cross-section of youth to serve in the military. Or, to put it another way, a GI Bill is to recruit the analogue of the peacetime draftee in the all-volunteer context. The choice is coming down to a comprehensive and good-faith AVF GI Bill or a return to the draft.

A GI Bill cannot simultaneously serve the purposes of both recruitment and retention. These two goals should be separated, lest we end up with a convoluted bill that serves neither. Recruitment must be the overriding intent of a GI Bill. It may help clarify matters to think of an AVF GI Bill as the functional equivalent of conscription. For even with a draft, retention problems would persist and have to be dealt with on their own terms; namely, by well constructed career compensation and entitlement packages along with a public recognition of the service ethic in the armed forces.

Two general principles should always be kept in mind when appraising recruitment and retention proposals. First, recruitment incentives must be kept as simple as possible (almost as much for the recruiter's sake as for the recruit). The other side of "flexibility" in GI Bill proposals is complications for potential enlistees. Second, reenlistment incentives can be fairly involved with many choice points. One will never go wrong overestimating the grasp career service members have of compensation packages.

A GI Bill will effectively serve recruitment by containing the following provisions: (1) a tuition component along with a monthly stipend, (2) a benefit for two-year enlistments, and (3) eligibility limited to those who receive honorable discharges or separations. Bills S25 and HR135 contain the vitial tuition provisions and come closest to meeting the criterion of simplicity. Bill HR1400 has the merit of requiring a reserve obligation following two-years active duty for GI Bill eligibility.

Three main arguments are raised against a GI Bill: (1) too expensive, (2) not cost-effective, and (3) adverse retention effects. Not one of these stands up to scrutiny.

Too Expensive.—An AVF GI Bill will cost in the range of $2 to $3 billion annually.

Comment.—Assume a GI Bill that will offer three academic years of educational support for two years of active-duty service, and four years of benefits for three years of service. The entitlements would include the costs of tuition up to $3,000 per academic year, and subsistinence stipend of $300 per month. The maximum direct costs of such a GI Bill would probably be under $1.25 billion a year.(1)

There would be tremendous countervailing reductions in the net costs of a GI Bill thanks to a lower attrition rate. The data is incontestable that high school graduates are twice more likely to complete enlistments than are high school dropouts. The General Accounting Office estimates that each attrition case costs $12,000. Cutting the military attrition rate in half would alone result in manpower savings in excess of $.06 billion. Substantial savings would occur in the extra recruitment outlays now required to enlist high school graduates placing in the upper half of the entrance test distribution. Cost reductions would also result from less loss time for unauthorizerd absences and desertions, the reduction or elimination of combat arms bonuses, the end of present post-service educational benefits (VEAP), and, most likely, fewer lower-ranking service members with families. With these savings, the net costs of a GI Bill would be under $0.4 billion annually.

Moreover, because members will not be eligible for GI Bill benefits until completion of at least two years of active duty, there will be no outlays in the first phase of an AVF GI Bill. In point of fact, the initial two years of a GI Bill program will result in considerable savings in the national defense budget.

Not cost-effective.—Enlistment bonuses and higher recruit pay are more cost-effective enlistment tools than a GI Bill.

Comment.—Estimates of the Congressional Budget Office are that one billion dollars annually would be required in enlistment bonuses to meet the new accession standards set by Congress. Even if costs are comparable, a GI Bill is still to be preferred over enlistment bonuses. Whereas a GI Bill carries the positive symbolism of one of America's most successful social programs, enlistment bonuses crassly emphasize the cash-work nexus. A GI Bill recipient can receive his or her entitlement only after completion of honorable service, while there is no practical way to recover bonus money from one who fails to complete an enlistment.

In theory and practice, enlistment bonuses are inextricably linked with the strategy of recruiting at the margin; a GI Bill, in theory certainly, in practice to be determined, seeks to attract a cross-section of youth not previously in the recruitment pool. One way out of the conundrum of enlistment bonuses versus GI BIll may simply be to offer enlistees an either/or choice.

As a cost-effective measure, higher recruit pay also suffers in comparison with a GI Bill. Not only does higher recruit pay aggrevate the tendency to recruit at the margin, it compounds pay compression within the enlisted ranks, thereby corroding the status of the NCO corps. Indeed, consideration ought be given to focusing straight GI Bill benefits on a lower-paid two-year enlistment track. In any event, as given in the table at the end of this statement, surveys of high school youth and college undergraduates consistently show that GI-Bill type incentives hold greater appeal than either enlistment bonuses or higher recruit pay for those youth presently not inclined to join the service. (2)

Adverse effects on retention.—A GI Bill will increase the retention problem where it hurts most, in the technical military-occupational specialties.

Comment.—It must be noted initially that retention losses in technical specialties have become more pronounced since the end of the Vietnam-era GI Bill in 1976. The obvious conclusion is that future pay raises should be aimed at the NCO grades rather than applied across the board. Furthermore, unlike enlistment bonuses, reenlistment bonuses are proper career incentives because they reflect current capabilities and past service. There is also historical evidence that some number of those who would not otherwise join the service except for a GI Bill will find themselves eventually entering the career force. A GI Bill could also create an entirely new source of prior-service entrants at the NCO or officer levels; individuals choosing to return to active duty after college or technical training.

Special career provisions in conjunction with, but not a part of, a GI Bill would complement not undermine retention incentives. A cash-out feature in the form of a reenlistment bonus might be offered in lieu of GI Bill benefits. A career soldier might take out educational loans for college-age dependents which can be forgiven at certain rates in return for reenlistment commitments. Or, a career soldier could use educational entitlements to take a "sabbatical" involving an engineering or science curriculum for future technical work in the military. Unlike GI Bill benefits which should be funded by the Veterans Administration, funding of in-service educational programs properly falls within the defense budget. By no means do educational benefits define innovative incentives necessary to retain the required career force.

Conclusion.—The attractiveness of an AVF GI Bill faces a powerful opposing force. This is the expansion of federal assistance to college students since the end of the Vietnam-era GI Bill. In 1980 alone, federal aid to college students, in the form of grants and loan subsidies, exceeded $5.2 billion. In effect, we have created a GI Bill without the GI. Even if proposed budget cuts to reduce federal aid to college students by some one billion dollars are implemented (by no means assured), we will still confront a staggering sum in competition with a GI Bill. In the longer run, some sort of modest national service obligation ought become a prerequisite for federal college assistance. This is a viewpoint that must be articulated at the very top levels of our national political leadership.

The immediate task is not to pass some inadequate and Rube Goldberg educational package; call it a GI Bill, and then say we have done all we can for the AVF. The top priority for military recruitment must be a comprehensive and readily understood GI Bill. A GI Bill is not a cure-all for what ails the AVF. But it is a necessary step in the right direction.

NOTES

1. The sum of $1.25 billion for total annual costs of the proposed AVF GI Bill is based on the following calculations. The cumulative sum to be given to each person who uses the GI Bill is estimated at an average of $10,000 per veteran. This was the estimate given by the Veterans Administration for S2020, a GI Bill introduced in the 96th Congress which contained slightly more generous entitlements than the GI Bill proposed herein. Hearings Before the Committee on Veterans Affairs, U.S. Senate, 96th Congress, 2nd sess., June 19, 1980, p. 25.

Comparative costs with the World War II GI Bill are informative. The costs of the World War II GI Bill came to about $2,500 per veteran (2,232,000 participants at a total cost of $5.5 billion). Multiply this sum by four to take inflation into account, and we also come up with a figure close to $10,000. Because the World War II GI Bill was much more generous than the Bill proposed herein, the estimate of $10,000 per veteran for an AVF GI Bill errs on the side of greater than probable costs.

In steady state recruitment for a two-million active-duty force, about 375,000 enlistees are required annually. About 20 percent of these will reenlist and assume another 20 percent will be lost through attrition. This leaves about 60 percent of first termers—or 225,000 persons—who will normally be eligible for the GI Bill. Assume half of these—or 122,500 persons—will matriculate in college (a proportion higher than the national average of 19-20 year olds). $10,000 times 112,500 approximates $1.25 billion.

2. In order to determine the effectiveness of educational benefits as enlistment incentives, Congress authorized the recruiting command to conduct an experiment during 1980-81. Recruiters in specified locales were able to offer qualified enlistees a non-contributory and generous post-service educational package—an "ultra-VEAP."

At least two difficulties present themselves in trying to generalize from the results of this "test" to the appeal of an AVF GI Bill. First, a local enlistment campaign can never match the positive symbolism of a simple and nationwide GI Bill.

Second, an operational difficulty is posed by the requirement that only high school graduates who score in the top half of the mental distribution are eligible for the new educational benefits. This means in practice that the recruiter, lest he disappoints and loses a potential regular enlistee, is hesitant to mention the new educational offerings until after he knows the candidate's aptitude score. Caught in a classic minimax bind, the recruiter pushes the new "ultra-VEAP" mainly to those candidates who would have probably come through the door anyway. Paradoxically, then, precisely because the test program is limited to high quality youths, it cannot be widely used to tap the new pool of recruits for whom it was intended.

TABLE 1.—EFFECTS OF ENLISTMENT OPTIONS ON MALE YOUTH, 1980 [1]

Youth category	Current pay	$200 monthly pay increase	Current bonus $3,000	$5,000 bonus
Total youth	1.43	1.95	1.90	2.11
Propensity:				
Positive	1.94	2.69	2.46	2.72
Negative	1.18	1.57	1.61	1.80
Quality index [2]				
High	1.25	1.64	1.75	2.05
Medium	1.49	2.11	1.96	2.15
Low	1.56	2.01	1.96	2.12
White	1.43	1.91	1.92	2.18
Black	1.43	1.96	1.88	2.07

[1] The higher the score, the greater the indicated propensity to enlist.
[2] Based on composite index of high school grades and number of science/math courses.

Source: Market Facts, Inc., "Youth Attitude Tracking Study."

Youth category	Current	Noncontributory VEAP	1 yr tuition for 1 yr service [1]
Total youth	1.91	1.99	2.16
Propensity:			
Positive	2.50	2.51	2.77
Negative	1.61	1.73	1.91
Quality Index [2]			
High	1.80	1.94	2.09
Medium	1.97	2.03	2.21
Low	1.91	1.96	2.09
White	1.92	1.99	2.12
Black	1.90	1.99	2.55

[1] Survey conducted fall, 1978; item not included in spring, 1980, survey.
[2] Based on composite index of high school grades and number of science/math courses.

Source: Market Facts, Inc., "Youth Attitude Tracking Study."

TABLE 2.—EFFECTS OF ENLISTMENT OPTIONS ON MALE COLLEGE STUDENTS, 1980

Incentive	Percent "Very likely to join Army for 2 yrs	
	Northwestern University (N=151) [1]	Morgan State University (N=77) [2]
Present recruit pay		8.2
$1,000 monthly pay		9.6
$2,500 monthly pay	1.4	23.6
4-yr GI bill [3]	12.3	25.7

[1] Northwestern University is private and predominantly white.
[2] Morgan State University is public and historically black.
[3] Tuition plus $500 monthly stipend.

Prepared Statement of Richard D. De Cosmo, President, Delaware County Community College Media, Pa., Accompanied by Darryl W. Kehrer, Director, Office of Veterans' Affairs, American Association of Community and Junior Colleges

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to present the views of the American Association of Community and Junior Colleges (AACJC) on H.R. 1400, the Veterans' Educational Assistance Act of 1981. Accompanying me today is Darryl W. Kehrer who is director of the Office of Veterans' Affairs for our Association.

EXECUTIVE SUMMARY

Mr. Chairman, we are most interested in Mr. Montgomery's proposed legislation for an improved G.I. Bill for the All Volunteer Force. We feel that his legislation can be a blue-chip investment for our country in terms of recruiting and retaining quality personnel in the Armed Forces and in terms of providing education and training opportunities for men and women who have served honorably in the Armed Forces and its Reserve and Guard components.

We are proud of the fact community, junior and technical colleges have served more than 1.8 million Vietnam era veterans under the G.I. Bill during the past 15 years.

Our specific views on Mr. Montgomery's bill are as follows.In terms of educational benefits and payment method we feel that G. I. Bill education benefits should be paid directly to veterans or servicemembers, not to educational institutions. We propose that a monthly educational benefit of $400 be authorized. We do not favor a plan whereby the Veterans Administration would pay all or a high percentage of a veteran's tuition for college in addition to a monthly educational allowance. We feel that such a payment policy could lead to abuse of the G.I. Bill by some educational institutions, as was the case after World War II. Moreover, reserving part of the benefits for tuition will not help recruit well qualified persons to the Armed Forces and it will reduce the value of the educational benefit as a recruitment incentive.

We think the Pre-Service Education Program proposed by Mr. Montgomery can be an excellent opportunity for the Armed Forces to increase enlistments of persons interested in earning a two-year associate degree or one-year certificate in a specialized technology. The skills that young men and women would obtain in these programs would help fill a serious void of skilled technicians needed by the military services.

Educational Leaves of Absence have considerable merit. They could encourage more servicemembers to re-enlist by providing them with timely opportunities to enhance their skills without having to leave active duty. It would permit servicemembers to finish the second year of an associate degree or the four years of a baccalaureate degree as a full-time student after completing other courses as a part-time student. This opportunity could provide the impetus for enlisted members to apply for a commission and further their military career.

Mr. Chairman, in conclusion let me comment on our concern about the Veterans' Cost of Instruction Program (VCIP). The VCIP, which has been recommended for recission by the Administration, would contribute significantly to the success of the All Volunteer Force (AVF). I am speaking specifically of the outreach, counseling, retention, career advisement, VA certification and other services which veterans of the AVF will need if they are going to succeed in college. The VCIP program at about 1,000 schools provides these valuable services. I hope the Congress will support the continuation of VCIP so that educational institutions will be able to provide valuable supportive services to veteran-students and servicemembers of the All Volunteer Force.

* * * * *

The World War II, Korean and Vietnam era G.I. Bill statutes were enacted to help veterans make a positive readjustment to civilian life and to partially repay them for the hardships they incurred in service to their country during a war. Chairman Montgomery's bill, and several others which have been introduced in the Senate, have a more immediate purpose to recruit and retain qualified persons in our Armed Forces. This is a commendable and reasonable purpose and it is with this perspective in mind that we view the proposed G.I. Bill for the All Volunteer Force.

The Role of Community, Technical and Junior Colleges During the Vietnam Era G.I. Bill

Before I proceed with our comments on the Veterans' Educational Assistance Act of 1981, I would like to briefly state some facts about Vietnam era veterans and their use of the various G.I. Bills which have been available to them (P.L. 89-358, June 1, 1966; P.L. 90-77, October 1, 1967; P.L. 91-219, February 1, 1970; P.L. 92-540, October 1, 1972; P.L. 93-508, December 3, 1974; P.L. 93-602, January 1, 1975; P.L. 94-502, October 15, 1976; P.L. 95-202, October 1, 1977; and P.L. 96-466, October 17, 1980).

About 1.8 million Vietnam era veterans who have enrolled in postsecondary training and received Chapter 34 benefits have attended community, junior or technical colleges. The remaining two million have enrolled in private and public four-year colleges and universities. There are several reasons why so many Vietnam veterans have enrolled in community, junior colleges and two-year technical colleges.

(1) Veterans are fairly representative of the higher education enrollment patterns of older adult students in the United States, e.g., about 40 percent of the college students in the U.S. attend public community, junior and technical colleges, about 40 percent attend public universities, and the remaining 20 percent attend private colleges and universities.

(2) Veterans frequently choose to enroll in occupational and technological programs which are available most often at community, junior and two-year technical colleges.

(3) Veterans frequently have needed and benefited from taking developmental, remedial and preparatory programs and courses available at community colleges.

(4) Veterans who need to live with their families and who can only attend college part-time find community colleges to be conveniently located and more accommodating to their part-time schedules.

(5) Community, junior and technical colleges provide excellent support services to veterans including outreach, retention, counseling, tutoring, and other services based on local needs. Many educationally disadvantaged veterans have found the community college the best place to start, gain experience, and improve their basic skills.

Another factor is that the American Association of Community and Junior Colleges and the American Association of State Colleges and Universities have cosponsored for ten years the Servicemembers Opportunity Colleges (SOC) under funding from the Department of Defense and the Carnegie Corporation of New York. SOC is a nationwide network of about 300 colleges and universities that offer comprehensive educational opportunities to men and women in the military. The purpose of SOC is to provide high-quality, off-duty education to members of the Armed Forces while they are on active duty.

The Problem

Modern day Armed Forces depend upon highly trained technicians and specialists to be operational and effective. Nothing is more useless and dangerous than a complex weapons system that fails to operate or functions improperly at a critical moment. Unfortunately, this is an increasingly common occurance because of an acute shortage of trained technicians in the Armed Forces. And, to make matters worse, most of the new recruits have great difficulty in mastering the fundamental skills needed to become competent technicians. A reasonable solution to the problem is a new G.I. Bill containing incentives that will attract and hold better qualified men and women in the Armed Forces.

The Veterans' Educational Assistance Program (VEAP) has not proven an effective incentive for recruiting persons into the Armed Forces nor as a veterans' education benefit. The Veterans Administration reports that through calendar year 1979 only 25.1 percent of servicemembers have participated in VEAP. The VA figures also show that of the 201,723 servicemembers who have participated in the program, 32.3 percent have terminated their participation and, of this number, 17 percent have requested refunds of their contributions. It appears that the major problem with VEAP is that it's a contributory program. Many servicemembers, particularly the married ones,have been financially unable to make the monthly contributions to the program. In turn, many often leave the military service without eligibility for educational benefits under VEAP.

A Solution

The military services are convinced that a peace-time G.I. Bill would be an excellent incentive for recruiting and retaining quality personnel. Professor Charles Moskos has reported that a survey of 11,336 recruits conducted by the Army in September 1974 at Armed Forces Entrance and Examining Stations (AFEES) throughout the United States found that 24 percent of those interviewed would not have enlisted had there been no G.I. Bill. An additional 36 percent said they were not certain whether or not they would have enlisted if they had not been eligibile for educational benefits.

Members of Congress are very concerned about the quality of our manpower in the Armed Forces, which explains the early introduction in the 97th Congress of so many bills to reauthorize G.I. Bill educational benefits for the purpose of recruitment and retention. And, judging from editorials and articles in major newspapers and national periodicals, many other people recognize the problem and support the enactment of a new G.I. Bill. The questions then become: "What form should the educational benefits take and how much money and length of eligibility period will it require to enlist and retain adequate numbers of well qualified people?" In answer to these questions, the American Association of Community and Junior Colleges makes the following recommendations with respect to establishing an improved peace-time educational assistance program for veterans and members of the Armed Forces.

Eligibility

We recommend three years of active duty or two years of active duty and four years of Selected Reserve or National Guard Duty. We recommend authority to use educational benefits after serving two years of active duty and while still in service. We are not opposed to veterans and servicemembers being required to possess a high school diploma or equivalency in order to qualify for educational assistance benefits under the G.I. Bill. We feel that there are adequate opportunities for servicemembers who do not possess a high school diploma to earn a diploma through the GED program during their enlistment. However, we are aware that many of the servicemembers who enter the Army and Marine Corps without a high school diploma are the ones who serve in the combat arms, e.g., infantry, armor, artillery and combat engineers. These military skills have virtually no transferability to the civilian labor market. The servicemen and women who serve in the combat arms and then leave the service will greatly need the G.I. Bill. We recommend that the military services make a systematic effort to ensure that servicemembers have an opportunity to pursue GED training while on active duty. Furthermore, it would increase the likelihood the servicemember would be promoted and continue on active duty.

Rate of entitlement

We recommend a total of 36 months of entitlement to be earned at the rate of one month of educational assistance benefits for one month of active duty or one month of benefits for each four months served in the National Guard or Selective Reserve.

Method and amount of payment of educational assistance benefits

We support a monthly educational assistance allowance of $400 per month to help meet the individuals subsistence, tuition, fees, supplies, books, equipment, and other educational costs. Although this amount may appear generous in comparison to some other proposals, it is below the poverty level and insufficient to totally support an independent student. We do not support a direct tuition payment to educational institutions in which the servicemember or veteran is enrolled.

Mr. Chairman, there are basically two forms of educational benefits. One form which was used in the World War II G.I. Bill, is a combination of monthly subsistence payments to veterans and direct payments to institutions for tuition, fees, books, and educational supplies. A Congressional investigation headed by the late Olin E. Teague found abuse of the W.W.II G.I. Bill by some educational institutions. Largely because of Mr. Teague's findings, subsequent G.I. Bills for Korean and Vietnam era veterans contained no direct payments to institutions for tuition or other educational expenses. Instead, they paid the entire educational benefit to each veteran in monthly checks for each month of enrollment in an approved educational institution. From the government's standpoint this approach simplified auditing the G.I. Bill program because payments were made only to veterans instead of institutions and veterans.

Mr. Chairman, another important advantage to using the Korean era and Vietnam era form of paying educational benefits is recruitment to military service. Congress must be mindful of the cost of a new G.I. Bill and will be searching for attractive and affordable benefits. Direct payment of tuition and fees to institutions will be a factor in calculating the overall cost of a new bill and it will reduce the size of monthly payments made directly to veterans. In other words, the more dollars setaside for tuition and fees, the fewer dollars available for direct payments to veterans. Since it is individuals that are being recruited, not postsecondary institutions, larger payments to individuals are stronger incentives than a combination of smaller payments to individuals and direct tuition payments to educational institutions.

It is also important to consider who the Armed Forces are trying to recruit. They want high school graduates from the middle quartiles of their graduating high school classes, persons who have mastered the basics of reading comprehension, verbal and written expression, and mathematical computations and concepts. They want young men and women who can quickly learn technical skills, who will persevere until an assignment is accomplished, and who are interested in advancing into more demanding and responsible positions. These are persons who will become non-commissioned officers. Some will re-enlist and become warrant and commissioned officers. Service-members who serve on active duty for three or more years and then enroll in a post-secondary school will be interested in building on their technical training. They are likely to enroll in institutions that offer a variety of occupational programs that award associate and baccalaureate degrees. The majority of these are low-cost, public colleges. This makes the size of the monthly payment to the veteran much more important than direct payment of tuition and fees to an institution.

Mr. Chairman, it seems to us that the Armed Forces are not targeting their efforts toward persons in the highest ten percent of high school graduating classes. Most often those persons go directly to college, many enrolling in high-cost, selective institutions. Some will be interested in military service, but as commissioned officers. They will attend Service Academies or enroll in Officer Training programs to earn a commission. They are least likely to be interested in joining the Armed Forces as an enlisted member.

The size of monthly payments is an extremely important consideration. Assuming monthly payments are for tuition and other educational expenses, in addition to subsistence, $400 a month is a minimum figure for a single person. Although this is greater than benefits currently paid, benefits that fall far short of actual costs, benefits paid by a new G.I. Bill would not begin for three years. All economic signs forecast continued, sizable annual inflation rates during the next three years. It is virtually certain that what cost $342, which is the current monthly payment for a Vietnam era veteran with no dependents, will cost more than $400 in three years. There should also be an allowance of at least $50 a month for veterans with dependents. A provision for increasing monthly benefits for servicemembers who stay on active duty beyond three years, a so-called supplemental educational assistance allowance, would be a strong retention incentive and a timely addition for older servicemembers who frequently have more dependents.

Eligibility period

We support an eligibility period of ten years from date of separation from active duty to use educational assistance benefits. This ten year delimiting period is consistent with the time accorded Vietnam era veterans.

We are pleased with the sensitivity Mr. Montgomery displays in H.R. 1400 with respect to veterans whose entitlement will expire during enrollment in an approved program of education. In such case, Mr. Montgomery's measure would provide that the period of entitlement "shall be extended to the termination of such quarter or semester." We concur with Mr. Montgomery. Federal policy should not be such that we "pull the rug" from veterans whose entitlement expires during the middle of a term or semester.

Pre-service educational assistance program

We support a pre-service educational assistance program for those who agree to fulfill a tour of military service, i.e., one month of active duty for each month of educational benefits or four months of Selected Reserve or National Guard Service for one month of educational benefits.

The pre-service program can be an excellent opportunity for the Armed Forces to increase enlistments of persons who want to obtain a two-year degree in a specialized technology, such as electronic maintenance, mechanical drawing, computer science, and construction trades. These people could help fill the void of skilled technicians whom the military services are having difficulty recruiting and retaining. The pre-service program could perhaps even lead to a two-year college junior ROTC program which possibly could be called a Non-Commissioned Officer Training Corps (NCOTC).

Educational leave of absence

We recommend a one year leave of absence for each two additional years of active duty which servicemembers will serve.

This option could encourage more servicemembers to re-enlist because of the opportunity they would have to enhance their skills without having to leave military service. The leave of absence would permit the servicemember to finish the second year toward an associate degree or the fourth year toward a baccalaureate degree on a full-time basis. This could provide the impetus for enlisted members to apply for a commission which could enhance their military career.

Transfer of entitlement to dependents

Subchapter IV of H.R. 1400 would allow a serviceman or woman to transfer educational benefits to a dependent,child or spouse, after "eight or more but less than twelve" years on active duty, provided that person has a skill or specialty in which the Secretary of Defense has determined there is a critical shortage of personnel. Similar ideas are suggested in the bills filed by Senators Armstrong and Cranston.

This approach has considerable merit as a way of encouraging servicemembers to stay on active duty. But there is a serious problem with the language, "but less than twelve." We can assume most servicemembers who are seriously considering making the military a career enlisted by the time they were twenty. If this is the case, why should such a benefit be cut off after twelve years, the very time when a servicemember's children would be approaching college age? The effect of the twelve year limitation is to make the tranferability provision virtually useless for most dependents. We recommend a minimum of eight years but no maximum for the transferability of educational benefits.

Administration and funding

We recommend that the payment of educational assistance allowances be administered by the Veterans Administration because VA already has the administrative machinery and expertise needed to do it. Other proposed benefits, such as the pre-service education assistance program, the transfer of entitlement, the education leave of absence, and similar provisions should be paid by the DoD.

Veterans' Cost of Instruction Program

Mr. Chairman, in closing let me make a final observation. If the Veterans' Educational Assistance Act of 1981 is enacted into law, many of the post-Vietnam era veterans who benefit from the program will probably have the type of educational supportive service needs as did the Vietnam era veteran. I am speaking specifically of the outreach, counseling, retention, tutoring , career advisement and other services now provided through the Veterans' Cost of Instruction Program on approximately 1,000 college campuses. I hope the Congress will look favorably on the Veterans' Cost of Instruction Program as you deliberate on the FY 1982 budget. Regrettably, the Administration has asked that the $12 million FY'81 appropriation to the Education Department for the VCIP be rescinded. To rescind this program would be disastrous.

Ninety percent of the VCIP Programs also offer services which are directly required by or related to the receipt of educational assistance from the Veterans Administration, such as the completion and processing of paperwork used to request such assistance, the monitoring of course enrollments and academic progress, the distribution of up-to-date information vital to students enrolling under the G.I. Bill, academic advisement based on VA requirements, the handling of claims and pay problems, and liaison with the Veterans Administration and the institution based on individual needs. We suspect that all of these administrative responsibilities will have to continue to be provided to make the new G.I. Bill effective.

Although not included in the funding criteria, these programs also serve dependents of veterans, graduate students, and veterans eligible for benefits under the VEAP. If the VCIP program is rescinded, funds would not be available to operate an Office of Veterans' Affairs. Ramifications are as follows:

1) Delays in payments to veterans would result in financial hardships and in many cases withdrawal from college.
2) Delays in reporting by the institution due to lack of staff and time factors would increase overpayments and incorrect payments to veterans.
3) Reduction of qualified staff would result in less efficient monitoring of veteran student progress, and thus less assurance to the Congress and the general public that the G.I. Bill was being utilized effectively and that funds were being paid for progress toward an educational objective.
4) Lack of specialized academic counseling for veteran students would result in the G.I. Bill payments not being used to the best advantage of the student recipient.

For veterans, the potential losses would include:

1) The institution will not have the resources to perform certification

functions as quickly as in the past resulting in a delay of the veteran receiving educational assistance allowance. Many will not enroll or will be forced to withdraw from school because of financial constraints.

2) Many veterans will be incorrectly paid or overpaid because the institution will not be able to monitor and report student status as quickly as in the past, and no specialized counseling will be available to insure that course enrollments and academic progress are in line with VA requirements.
3) No counseling will be available that is tailored to the veteran's experiences or status as a non-traditional student.
4) Lack of outreach and recruitment efforts will mean many veterans will not be informed of or utilize educational benefits or available community resources.
5) Lack of an office to function as a liaison with the Veterans Administration will mean that the veteran will have to deal directly with the federal bureaucracy which is not equipped to provide counseling or assistance of an academic nature, and many problems will take an inordinate amount of time to be solved.

Mr. Chairman, the VCIP program is part and parcel of an effective implementation of an improved G.I. Bill for the All Volunteer Force, I hope this Subcommittee will support the continuation of it.

That concludes my testimony. Thank you again for the opportunity to testify before this distinguished Subcommittee.

PREPARED STATEMENT OF NICHOLAS EARLY, BOARD OF DIRECTORS, AMERICAN ASSOCIATION OF MINORITY VETERANS PROGRAM ADMINISTRATORS

Mr. Chairman and Members of the Subcommittee:

I am Nicholas Early, a member of the Board of Directors for American Association of Minority Veterans Program Administrators (AAMVPA). Our membership is comprised of organizations who provide services to Black, Oriental, and Native American veterans. Our organization is one which is designed to meet the needs of veterans and represent their interests as an advocate organization concerning the many issues affecting veterans.

Our organization appreciates the opportunity to express our support of the re-establishment of a non-contributory educational assistance program, which provides an effective recruiting tool for the Armed Forces personnel. The G.I. Bill program has proved to be an effective recruiting tool and readjustment program for those who have served in the Armed Forces in the past years. The re-establishment of the G.I. Bill will benefit the veterans by making it possible for him or her to pursue a training program which provides them with marketable skills and returns the investment to the Treasury Department. The G.I. Bill program is one that deserves the serious consideration of this committee. We have seen the Armed Services fail to meet their enlistment quotas for the first time in our history. Some of the negative effects of the lack of a non-contributory assistance program are:

a. A significant number of recruits would not join the service if there was no G.I. Bill.

b. The quality of recruits has dropped dramatically and fewer high school graduates are willing to serve in the military.

c. Training losses have risen dramatically.

The manpower problems that the Army experiences stem from the lack of a non-contributory program which will attract quality personnel. A survey of Army recruits in March, 1975, showed that one of every four would not have enlisted without the G.I. Bill. Another contributing factor is failure of VEAP as a contributory program. The minimum VEAP contribution is more than 11% of the entry level pay. For an E-4, with more than two years of service, the maximum contribution absorbs more than 13% of his base pay. The contribution reouired bv the individual with a family imposes a severe financial hardship on him. Many service personnel can not contribute to the program because of the financial condition of their family. Another problem is that the person must make payments to the program for one year after entering the program. An exception is provided for in the case of a financial hardship. The participation figures for 1979, show that while 201,723 individuals participated in the program, 65,228 (32.2 percent) have terminated their participation. Out of this number 34,882 (17 percent) have requested refunds of their contributions. In December, 1979, a survey revealed that 470 individuals had received benefits (representing 2/10 of one percent of the participants). The low participation rate reflects the inadequacies of VEAP program as a recruitment tool.

The value of the non-contributory assistance program as a recruiting and readjustment tool to the individual that is enlisting has tremendous potential. A re-establishment of a G.I. Bill program will greatly enhance the abilities of service personnel to enroll in college after completion of their military service obligation. The non-contributory program will benefit economically and educationally disadvantaged minority enlistees. They enter the military in large numbers, specializing in Combat Arms. This occupation is not a marketable skill which will enhance the veterans employment opportunities. The peacetime G.I. Bill can be a recruiting tool which provides the veteran with opportunity to learn a marketable skill, making him or her upwardly mobile after their completion of training. These individuals will greatly benefit from the economic resources which they will earn through a non-contributory program, to provide a means of defraying the educational cost during the post-service period. The G.I. Bill program will provide the veterans with the incentive and motivation to enroll in training programs which will result in the individual becoming gainfully employed and returning the investment to the economy many times over.

AAMVPA feels that H.R. 1400 is a program that will provide the incentive to attract higher quality perosnnel for the peacetime military. The re-establishment of non-contributory assistance proposed by Congressman Montgomery will serve as a solution to recruitment and a retention program, increase the educational level, retain individuals in the critical skill areas, and retain the career personnel who are leaving the military to avail themselves of benefits earned under the terminated G.I. Bill program. AAMVPA urges the strong consideration by this committee as a attractive alternative to the VEAP Program which has proven to be less than adequate. Some of the features which makes the Bill a program worthy of strong consideration by this committee are:

a. A pre-service education to encourage enlistments in the Active-Duty and Ready Reserve.

b. Supplemental educational assistance for additional service.

c. Transfer of entitlement to dependents (authorized for individuals with critical skills).

d. Early enrollment in a program of education while on Active Duty.

e. Authority for additional assistance for members with critical specialities.

For the reasons set forth above, AAMVPA supports the enactment of H.R. 1400. The American Association of Minority Veterans Program Administrators (AAMVPA) thanks this committee for the opportunity to give testimony in support of H.R. 1400. The peacetime G.I. Bill is a critically needed program, which will upgrade the peacetime military. Thank you very much.

PREPARED STATEMENT OF MAJ. GEN. ROBERT F. COCKLIN, AUS RET., EXECUTIVE VICE PRESIDENT, ASSOCIATION OF THE UNITED STATES ARMY

Mr. Chairman:

I am Major General Robert F. Cocklin, AUS Retired, Executive Vice President of the Association of the United States Army. The Association of the United States Army appreciates the opportunity to express its views on the subject of educational assistance for recruiting and retention in the Armed Forces.

While extended debate over the issue of how to obtain needed military manpower continues, it becomes more apparent that there are no easy solutions in sight. While our Association is well aware of the recruitment and retention problems of the other services, we will confine our discussion to the Army.

Although the Army achieved its recruiting goals in Fiscal Year 1980, while making up a significant shortfall from Fiscal Year 1979, it did so at a cost; and that cost was quality. The Army has, for a number of years, had its strength constrained to that level it was thought it could recruit. Army strength today is substantially below that required for peacetime manning. The best estimates of the additional manpower needed by the Army range between 50,000 and 75,000. While not the specific area of interest of this committee, your consideration of the issue of educational assistance ought to include this disparity.

In the eight years that the all-volunteer system has been in existence, it is abundantly clear that it has not been successful in providing the manpower needed for the Total Army. When I use the term Total Army, I mean active, Reserve and National Guard. It is equally clear that in the all-volunteer environment, quality has been consistently compromised in the interest of quantity. The Army has not been able to recruit high school graduates in Category I-III in the numbers desired.

There is a direct connection between the decline in quality enlistees and the termination of the GI Bill (December 1976) and the greatly expanded post-secondary schooling financial support available from the Federal Government. The charts accompanying my submitted testimony show this relationship. As the charts clearly indicate, all the Services have suffered a loss of high scoring male high school graduate accessions since the end of the GI Bill. It is the opinion of this Association that the most serious obstacle to the recruitment of the desired numbers of high school graduates, Category I-III, is the inability of the Army to offer educational benefits better than those obtainable through educational grants or loans from other Federal agencies, where no service to the country and little likelihood of pursuit in loan collection is likely. You have heard testimony from Service representatives that the current contributory VEAP program falls far short of the goal. There is no overwhelmingly attractive incentive for the bright young man or woman who is a high school graduate to enter the Army.

Inflation is also very much a part of the student's life. Whatever the basic entitlement is determined to be, it should have an automatic cost-of-living adjustment if it is to be an attractive incentive. Only minimal payouts are going to be made before the third year after enactment. By then, even the most inexperienced youth will recognize $250-$300/month will not provide much toward post secondary school costs. The 1981-82 tuition, room and board for state universities is estimated to average $4,000 while prestigious universities will top $10,000.

While not a deficiency, there is one element of HR 1400 which I believe would prove to be an administrative nightmare. That is the pre-service assistance provision. Experience with unpaid student loans and the high percentage of failure of first term enlisted personnel to satisfactorily complete enlistments seem to indicate that the Congress would be imposing a very real collection problem on the DoD. I would urge that the reward for honorable service be made after the service has been performed.

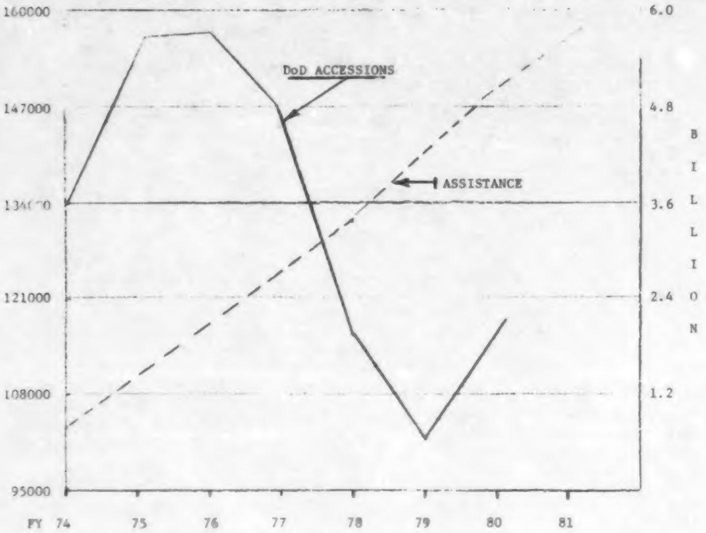
This incentive for military service could and should be financed without increased Federal funding by curtailing programed increases in Department of Education grant and loan programs. In fact, it is AUSA's belief that if these programs are not curtailed as proposed by the Administration it is questionable if any new Veterans Educational Assistance Program would significantly improve the quality of personnel voluntarily entering the service. Not only is no service required for these other Federal programs and no pay back is required for grants, but the national direct student loan program reports over $732 million in defaults.

We have developed a system of educational benefits that offers more to those who do not serve their country than to those who do. In effect, we now have the GI Bill without the GI!

It is time to provide a strong educational incentive to those who would serve in our armed forces and this bill, with the changes we have suggested, does that.

Gentlemen, this concludes my statement. For your convenience, I have attached an outline of the provisions of an educational incentives program for the Armed Forces.

NPS(M) HSDG MC I-IIIA ACCESSIONS
(ACTIVE DUTY COMPONENT TOTAL DoD)
VS. EDUCATION ASSISTANCE



Federal Government Aid to Students for Higher Education
(recipients - thousands)

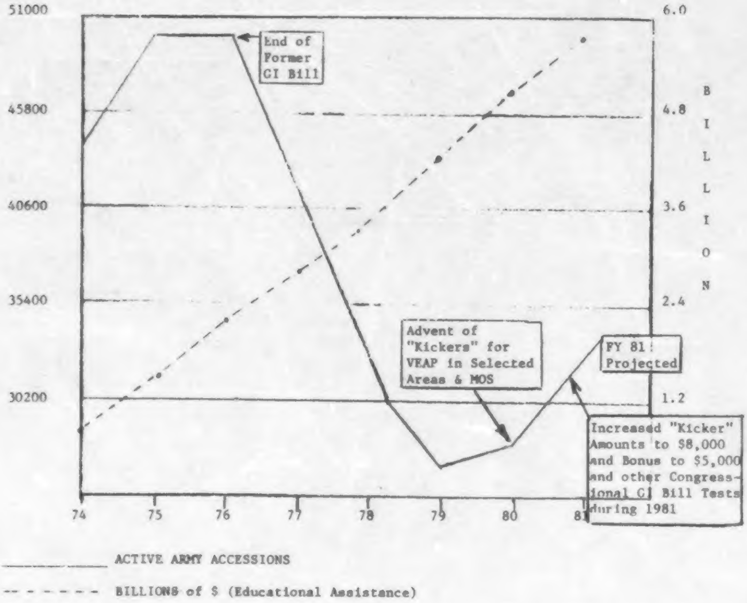
	74	75	76	77	78	79	80
National Direct Student Loan(Borrowers)	680	690	764.6	795.1	808.6	861.4	861
Guaranteed Student Loan (Number)	938	991	1298	973	1085	1510	2314
Basic Educational Opportunity Grants 1/	573.4	1228	1945.4	1863	1893	2600	2608
Supplemental Educational Opportunity Grants1/	395	390	449.2	499	510	614.7	650
College Work-Study Programs 1/	570	570	696.6	845.3	852.5	972.5	980
Student State Incentive Grants 1/	733.3	813.1	701.9	1104	1161.4	1217.5	1226
	3889.7	4682.1	5855.7	6079.4	6310.5	7776.4	8631

1/ Number of recipients

Source: Department of Education:Quality Assurance Dept.

NPS(M) HSDG MC I-IIIA ACCESSIONS (ACTIVE ARMY)

VS. EDUCATION ASSISTANCE (LOANS AND GRANTS)



End of Former GI Bill

Advent of "Kickers" for VEAP in Selected Areas & MOS

FY 81: Projected

Increased "Kicker" Amounts to $8,000 and Bonus to $5,000 and other Congressional GI Bill Tests during 1981

AUSA'S VETERANS EDUCATION ASSISTANCE PROPOSAL

1. Service period	Date of enactment
2. Service Requirement	
Veteran	2 yrs. for 24 mos. 3 yrs. for 36 mos. maximum
Active Duty	1 yr.
3. Entitlement	1 for 1 active duty time
4. Maximum entitlement	36 mos.
5. Training Complete by	10 yrs. after discharge
6. Benefits	$300/mo. less than 6 YOS $600/mo. more than 6 YOS Indexed to Consumer Price Index
Tuition	None
7. Selective Supplement by Service Secretaries	Yes
8. Educational loan	No
9. Transfer authority	Yes, after 10 YOS or within 10 yrs. of retirement
10. Reserve Component provisions	Selected Reserve benefits at 1/2 active duty rate
11. Special Provisions	Transfer benefits from Chapt. 32 (VEAP) & 34 (VN Era) with increased service obligation
12. Funded by	Basic and transfer by VA; Supplemental by DoD

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

E. PHILIP RIGGIN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION

and

G. MICHAEL SCHLEE, DIRECTOR
NATIONAL SECURITY-FOREIGN RELATIONS COMMISSION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

Legislation to provide a peace-time GI Bill

March 25, 1981

STATEMENT OF G. MICHAEL SCHLEE, DIRECTOR
NATIONAL SECURITY-FOREIGN RELATIONS COMMISSION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
HOUSE OF REPRESENTATIVES

MARCH 25, 1981

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to appear before this Subcommittee to present its views on legislation which would provide an educational assistance program for the purpose of aiding in the recruitment and retention of individuals in both the Active and Reserve components of the Armed Forces.

Before commenting on the provisions of HR 1400, and other matters relating to educational benefits for those persons entering military service under the All-Volunteer Force program, we would like to point out that The American Legion was instrumental in the enactment of the Servicemen's Readjustment Act of 1944 - better known as the G.I. Bill of Rights - enacted on June 22, 1944. And the Legion has continued its involvement in the subsequent education benefit programs which heretofore have been solely for the purpose of the readjustment of veterans returning to civilian life after having served in the Armed Forces, for the most part during time of war. I have appended a history of the various G.I. Bills to this statement for the Subcommittee's use and review.

National Security Resolution #36, approved by the National Executive Committee during its meeting of October 15-16, 1980, mandates The American Legion to support legislation which would provide education incentives for Active and Reserve Forces.

This resolution cites three examples which might produce the end result desired, they are:

1) As a pre-service benefit, a loan forgiveness program for direct guaranteed educational loans by the Federal Government which would reduce or cancel such loans through honorable military service;

2) As an in-service benefit, the current 75% limitation on in-service tuition assistance could be expanded to provide payment of 90% of instructionally related expenses as well as basic tuition costs or fees in lieu of tuition; and

3) As a post-service benefit, educational benefits patterned after Chapter 34, or VEAP programs, could be extended to those who do not avail themselves of either the pre-service or in-service programs. I hasten to point out that these are examples only and are not exclusive of other programs that may be recommended to achieve the same end result.

With your permission, we shall now address ourselves to the measure presently under consideration.

Section 1 of HR 1400 provides that the Act may be cited as the "Veterans' Educational Assistance Act of 1981."

Section 2(a) of the measure would amend Title 38, United States Code, by setting forth the provisions of new Chapter 30, of which we shall address each section by number, as it would appear in such chapter of this title.

Section 1401 correctly sets forth the purpose of the Chapter with the exception of addressing the legislation as a readjustment benefit. The correct purpose of this legislation we believe is promotion of recruitment and retention. Readjustment is more appropriately applied to wartime benefits where an individual is denied the normal pursuits of life by his involuntary conscription into the Armed Forces. We would therefore recommend that the phrase "readjustment" benefit be dropped from this legislation.

The American Legion applauds the drafters of this legislation in recognizing the Total Force Concept. Too often in the past, our Reserve components have been treated like poor relatives when in fact they provide a large portion of our mobilized force in the event of war.

The American Legion is cognizant of the fact that an educational incentive program will not solve all of the problems facing the All-Volunteer Force. However, we do believe that such a program will greatly enhance the Armed Forces by providing a larger number of more highly qualified recruits, and by providing the incentive for such individuals to remain on active duty beyond the initial period of enlistment, or to remain in the active Reserve Forces or National Guard.

Section 1402 of the proposal provides the definitions, as necessary, pertaining to the new chapter.

Section 1411 establishes the provisions for basic educational assistance for service on active duty by providing entitlement to each individual who is a graduate of a secondary school or has a high school equivalency certificate, and after September 30, 1981, serves at least three years of continuous active duty in the Armed Forces; or, serves in the Armed Forces and is discharged or released from active duty for a service-connected disability, for hardship, or, in the case of an individual who completed not less than 30 months of active duty, for the convenience of the government; and after completing such service is discharged with an honorable discharge or is placed on the retired list; continues on active duty without a break in service; or, is released from active duty for further service in a Reserve component of the Armed Forces after honorable service on active duty. The American Legion finds no opposition to the language included in this section.

We voice our support for Section 1412. It recognizes those personnel who are vital in the event of mobilization in time of a national emergency. Also by requiring personnel to serve two years active duty and four years Reserve time to be entitled to basic education allowance, it will hopefully insure a steady flow of experienced personnel to the Selected Reserve.

The American Legion feels that Section 1413 which establishes one month of educational benefits for each month of active duty, and one month of benefits each three months served in the Selected Reserve, is fair and equitable. Further, it recognizes the difference between active duty service and service in the Selected Reserve.

The American Legion supports the method of payment and the amount of stipend contained in Sections 1414 and 1415. However, in view of the two-year reporting requirement provided under Section 1457 of this proposal, it is recommended that, from time to time, the Congress take into consideration the increases in the cost-of-living as well as the average costs of education, to insure that the benefits available under this chapter are paid at a realistic level.

Section 1416 would permit an individual who has completed at least two years of service on active duty or in the Selected Reserve, who is otherwise eligible for basic educational assistance, and who remains in the duty status described in Sections 1411 and 1412, to enroll in a program of education.

The provisions contained in this section are similar to Subchapter VI of Chapter 34 of the title, the Predischarge Education Program (PREP). The American Legion would not object to such a proposal, as it is in keeping with the intent of the legislation and could well provide the impetus for the individual to remain in service.

Section 1421 would establish a supplemental educational assistance program for those individuals eligible for basic educational assistance, and who have served three or more consecutive years of active duty in addition to the years of active duty as described in Section 1411(2) of the measure without a break in such service. Entitlement to the supplemental benefits would also be extended to those individuals eligible for the basic assistance who after September 30, 1981, have served two or more consecutive years of active duty in the Armed Forces in addition to the years of active duty described in Section 1412(2) of the proposal and four or more consecutive years of duty in the Selected Reserve in addition to the years of duty in the Selected Reserve counted under such section without a break in service. No part of any period of active duty or duty in the Selected Reserve occurring prior to the time eligibility is established for basic educational assistance shall be counted for the purpose of this section.

Section 1422 sets forth the monthly stipend, payable under Section 1421 at the rate of $300 for an approved program of education pursued on a full-time basis. Such benefit would be payable on a pro-rated basis to those individuals pursuing a less than full-time program of education.

Section 1423 provides that additional supplemental assistance, over and above the entitlement under Section 1422, may be paid to an individual having a critical military occupational specialty wherein the Secretary of Defense considers there to be a shortage of personnel, providing such individual is otherwise eligible for basic educational assistance. Such assistance may be paid at monthly rates considered by the Secretary of Defense to be appropriate or necessary for the purpose of attracting and retaining individuals with such critical skills or specialties in the Armed Forces.

It is the opinion of The American Legion that a supplemental educational assistance program, as defined in Section 1421, would encourage those individuals having fulfilled the original period of enlistment, and who remain in service as the result of re-enlisting, to pursue a career in the Armed Forces, or to remain in the Selected Reserve, thus accomplishing the purpose of this legislation.

We would also support the concept of providing additional supplemental assistance to those military personnel with critical skills and specialties, realizing the importance of recruiting and retaining such individuals in the Armed Forces.

Section 1431 would provide authority to authorize those individuals meeting the eligibility requirements for basic assistance, having critical skills or specialties, and who have served eight or more but less than 12 consecutive years on active duty, to transfer to one or more dependents all or any part of such member's entitlement to educational assistance under this chapter.

Section 1432 would establish the authority for the Secretary of Defense and the Administrator of Veterans Affairs to prescribe regulations pertaining to the establishment of eligibility for and the administration of the transfer of educational assistance as described by Section 1431.

Section 1433 defines the status of dependents to whom entitlement may be transferred, as well as the limitations applying to such transfer authority. The American Legion has concern about the provision of authority for the transferability of the educational assistance benefits provided under this Act or any other peacetime G.I. Bill proposal. Such authority would, in our opinion, perniciously affect the purpose of such legislation by providing benefits to individuals, specifically dependents of service personnel, who, but for enjoying the benefits accruing from the service member's eligibility, could qualify, in their own right, for benefits under such a proposal in years ahead. Thus, it is felt that a provision of this nature could reduce the pool of eligible individuals available for military service based on the incentive of educational beneftis. Additionally, a serious look must be givento the long term cost of transferability and the question of equity to previous veterans.

Section 1441 provides authority for the Secretary concerned to enter into pre-service agreements as described in Section 1442, in which educational assistance may be provided in return for an individual's agreement to perform a specified period of obligated service on active duty or in the Selected Reserve.

Section 1442 defines such pre-service agreements and sets forth the obligations and responsibilities, of both parties, appertaining thereto.

Section 1443 defines the eligibility criteria for pre-service educational assistance; Section 1444 places a 36-month limitation on such benefits, payable at a rate not to exceed $300 per month for the pursuit of a program of education on a full-time basis; Section 1445 establishes the amount of obligated service at one month of active duty service for each month of educational assistance provided, three months of Selected Reserve service for each month of education provided, or a combination thereof; Section 1446 provides that upon signing such an agreement, an individual becomes a member of the Armed Forces and shall be placed in the Ready Reserve; and Section 1447 states that the Secretary of Defense shall prescribe regulations, uniform among the Armed Forces, for the administration of the pre-service educational assistance program.

The provisions of the foregoing sections under Subchapter V of this measure would satisfy, in part, the intent of Resolution #36, and The American Legion supports the enactment thereof. We feel that given the opportunity to secure an education prior to service, thus making preparation for more responsible positions therein, certain individuals would look more favorably toward a career in the military.

Section 1451 would set a delimiting period of 10 years, similar to that presently provided under Section 1662 of the title, for the completition of a program of education under the chapter proposed in this measure. Exceptions have been included for those individuals prevented from pursuing a program of education prior to the expiration of the 10 year period by reason of being held captive as a prisoner of war, or because of a physical or mental disability which was not the result of such individual's own willful misconduct. The American Legion concurs with the 10 year delimiting date and the provisions relating thereto, as they apply to members of the Armed Forces.

Section 1452 places limitations on the amount of educational assistance payable under this Act to an eligible individual, pursuing a program of education and who is being furnished subsistence, whether in whole or in part and in money or in kind, by a Federal, State or local government program. This section also provides that the total amount of monthly educational assistance payable to an individual, under this proposed chapter, who is pursuing a program of education on less than a half-time basis, may not exceed the established charges for tuition and fees which the educational institution involved requires similarly circumstanced non-veterans enrolled in the same program to pay. The American Legion would not oppose such limitations.

Section 1453 would prohibit the receipt of benefits under this chapter and under Chapters 34 or 35 concurrently in the case of an individual with dual eligibility. In the event an individual is eligible for benefits under more than one chapter, such an individual shall elect under which program to receive educational assistance. We have no objection to such a proposal.

Section 1454 lists the provisions under current law which shall be applicable under this chapter if enacted. The following Sections of Title 38, United States Code, shall apply: 1663, counseling; 1670, selection of program; 1671, application; 1673, disapproval of enrollment in certain courses; 1674, discontinuance for unsatisfactory conduct or progress; 1676, education outside the United States; 1681(c), certification necessary to receive benefits for flight training; and 1683, approval of courses. Also included are the provisions of Subchapters I and II of Chapter 36 of the title, dealing with State Approving Agencies and miscellaneous provisions, respectively. The provisions of Section 1786, correspondence courses, are to be excluded from such chapter. These proposals are necessary for the administration of the program, and we have no objection thereto.

Section 1455 provides a breakdown of administration and costs of the proposed educational programs as follows: except to the extent otherwise specifically provided, the programs shall be administered by the Veterans Administration; payments for entitlement under Subchapter II, of the proposed chapter with the exception of entitlement which is used by an individual to whom such entitlement is transferred under Subchapter IV, or which is used by the individual earning such entitlement after an election to transfer such entitlement was subsequently revoked, shall be made from appropriations made to the Veterans Administration. The payments for entitlement earned under the remaining programs under the proposed chapter, including the aforementioned exception to Subchapter II, shall be made from appropriations made to the Department of Defense.

As stated earlier, Resolution #36 sets the policy of The American Legion in this area. We are in agreement that such an educational program should be administered by the Veterans Administration, as that agency has in its current employment experienced staff with the expertise necessary to insure that such a program is carried out in an efficient manner. However, the foregoing resolution recommends to the Congress that any such educational incentive program be entirely funded by the Department of Defense. The justification for this recommendation is strengthened, taking into consideration the cuts in the Veterans Administration budget recently proposed by the Office of Management and Budget. The bottom line is that the ultimate purpose of such legislation is to provide an incentive for the recruitment and retention of personnel in the Armed Forces, and based on this premise, the Legion is opposed to the funding of any of the benefits payable under such an incentive program through the Veterans Administration.

Section 1456 provides for individual counseling of a member of the Armed Forces, upon discharge or release from active duty, by a member of the same branch of service who is trained in readjustment counseling. Such counseling shall include a discussion of the educational benefits available and an explanation of the procedures for and advantages of affiliating with the Selected Reserve.

It is the feeling of The American Legion that such counseling would be advantageous to both the service members and the Armed Forces.

Section 1457 requires the Secretary of Defense and the Administrator of Veterans Affairs to submit to the Congress at least every two years separate reports on the operation of the programs provided for in this chapter, including the adequacy of benefit levels in achieving the purposes of inducing individuals to enter and remain in the Armed Forces and of providing an adequate level of subsistence to help meet the cost of pursuing a program of education; whether it is necessary for the purposes of maintaining adequate levels of well-qualified active duty personnel in the Armed Forces to continue to offer the opportunity for educational assistance under this chapter to individuals who have not yet entered active duty service; and such recommendations for administrative and legislative changes regarding the provision of educational assistance. These are administrative procedures to which The American Legion has no objection.

Section 2(b) of HR 1400 would amend the tables of chapters at the beginning of Title 38, U.S. Code, and at the beginning of Part III of the title by inserting the following above the item relating to Chapter 31:

"30. All-Volunteer Force Educational Assistance Program...1401."

Section 3(a) of the measure would amend Section 1508(f)(1)(A) and (B) of the title by including Chapter 30 in the language of the section. This amendment would provide that in any case in which the Administrator determines that a veteran is entitled to rehabilitation under Chapter 31 of the title, to the extent that such veteran has remaining eligibility for and entitlement to educational assistance benefits under Chapters 30 or 34 of the title, such veteran may elect, as part of a vocational rehabilitation program under Chapter 31, to pursue an approved program of education and receive allowances and other forms of assistance equivalent to those authorized for veterans enrolled under Chapters 30 or 34 of the title, if the Administrator approves the educational, professional, or vocational objective chosen by such veterans for such programs.

Section 3(a)(2) would amend subparagraph (B) of Section 1508(f)(1) by providing that in the event that such veteran makes an election, the terms and conditions applicable to the pursuit of a comparable program of education and payment of allowances and provision of assistance under Chapters 30 and 34 of the title for such a comparable program shall be applied to the pursuit of the approved program of education under Chapter 31.

The foregoing provisions were included in Public Law 96-466 for a veteran enrolled in the vocational rehabilitation program under Chapter 31, and who has entitlement remaining under Chapter 34, allowing such veteran to elect to receive benefits under Chapter 34 while continuing in the program of vocational rehabilitation where such veteran would receive a greater rate of subsistence as the result of such an election, until entitlement under Chapter 34 expires. The Legion would not object to the inclusion of those service-connected veterans having entitlement to the proposed Chapter 30 benefits in this section of Chapter 31.

Section 3(b)(1) of this bill would amend Section 1602(a) of the title by inserting "and before January 1, 1982," under the definition of the term "eligible veteran." Such an amendment would target December 31, 1981 as the final date that an individual entering military service would be eligible to enroll in the educational program under Chapter 32 (VEAP). Section 3(b)(2) would amend Section 1623 of the title by providing that on the last day of the month in which an individual becomes entitled to the basic educational assistance under proposed Chapter 30, such individual shall become disenrolled from the program under Chapter 32 of the title (VEAP). Section 3(c)(1) would amend Section 1781 of the title by including proposed Chapter 30 among those chapters in the title under which no educational assistance allowance shall be paid to any eligible person who is on active duty and is pursuing a course of education which is being paid for by the Armed Forces, or by the Department of Health and Human Services in the case of the Public Health Service; or who is attending a course of education or training paid for under the Government Employees Training Act and whose full salary is being paid to such person while so training. Section 3(c)(2) would amend Section 1795(a)(4) of the title by including proposed Chapter 30 among the list of educational programs under any two of which the aggregate period for which any person may receive assistance may not exceed 48 months, or the part-time equivalent thereof. The American Legion does not object to any of these administrative provisions.

Section 4 of HR 1400 would amend Section 408 of Public Law 94-502 by eliminating all language by which the educational program under Chapter 32 of the title (VEAP) may be extended, thereby establishing December 31, 1981 as the last date in which an individual on active duty in the Armed Forces may initially enroll in such program.

Section 5 of the measure would amend Section 902(g) of Public Law 96-342 by striking out "October 1, 1981," and inserting in lieu thereof "October 1 1983," thereby providing a 2-year extension of the period in which an individual may enlist or re-enlist in the Selected Reserve or for service on active duty for the purpose of entitlement to the repayment of loans made, insured or guaranteed under Part B of the Higher Education Act of 1965, or any loan made under Part E of such Act, after October 1, 1975, in the manner authorized by such section.

Section 6 would authorize the Secretary concerned to enter into pre-service educational assistance agreements under Subchapter IV of this proposal, as added by Section 2, effective October 1, 1981. We see no objection to these amendments.

I would also like to point out that in strongly supporting an educational incentive program, The American Legion does not believe that it alone will solve all the problems of the All-Volunteer Force. Nor can it begin to achieve its goals unless the competition from the ever-increasing amount of federal education programs are dramatically reduced. While it will enhance and possibly increase the quality of new recruits, it still may not meet fully the needs of the services for a cross-section of American youth to operate and man our ever-increasingly complex and sophisticated weapon systems. We concurrently support additional funding for increased pay and benefits and for improvements in the all important quality of life factors for the Armed Forces.

The American Legion believes that a return to conscription is inevitable. Our position is reinforced by American youth demographics for the 1980s. According to Census Bureau projections, the supply of 18-year old males will shrink during the 1980s and 1990s because of the progressive decline in child-bearing in the 1960s and 1970s. It has been calculated that the military services will have to recruit one of every two qualified and available males by the mid-to-late 1980s. During 1980, about one in every four qualified and available 18-year olds were recruited.

Mr. Chairman, as we stated at the outset, The American Legion is appreciative of the opportunity to present its views on this important legislation to this Subcommittee. We will be happy to address any questions you may have at this time.

ATTACHMENTS: Resolution #36 Fall NEC, 1980
Brief History of "G.I. Bill" Benefits

NATIONAL EXECUTIVE COMMITTEE MEETING
THE AMERICAN LEGION - INDIANAPOLIS, INDIANA
OCTOBER 15-16, 1980

RESOLUTION #36

COMMITTEE: National Security

SUBJECT: EDUCATION INCENTIVES FOR ACTIVE AND RESERVE FORCES

WHEREAS, Congress has terminated the education program under Chapter 34 of Title 38, United States Code, for those persons enlisting in the Armed Forces of the United States on or after January 1, 1977; and

WHEREAS, Congress replaced this educational assistance program with a less generous experimental contributory program under Chapter 32, Title 38, which is known as the Post-Vietnam Era Veterans' Educational Assistance Program, or "VEAP," wherein the Federal Government matches on a two-to-one basis the deposits by the individual military member to VEAP up to $5,400; and

WHEREAS, the Secretary of Defense is authorized under this program to contribute additional unspecified amounts to an individual's VEAP account above that level as a recruiting or retention incentive; and

WHEREAS, only 23.3% of all eligible personnel enrolled in VEAP during Fiscal Year 1979 and approximately 50% of those who did enroll voluntarily discontinued their participation and Armed Forces officials believe that VEAP has not proven to be an adequate incentive for enlistment or retention in the military services; and

WHEREAS, VEAP will automatically terminate at the end of 1981 unless it is recommended by the President and approved by the Congress that it be continued; and

WHEREAS, the Department of Education now provides without service requirement, direct and guaranteed student loans with minimal interest rates which do not require repayment to commence until 9 to 12 months after graduation with complete repayment within 10 years; and

WHEREAS, all military services are experiencing great difficulty in recruiting and retaining military personnel and it is apparent that this problem will worsen in the 1980s as the number of 18-year old men decline to 1.7 million in the latter part of the decade, thus requiring the services to recruit 50% of all military age males who are physically and mentally qualified and who are not enrolled in college in order to meet the manpower needs of the services; and

WHEREAS, The American Legion believes that educational incentives play an important part in the recruitment and retention of personnel, and any attempt to restrict or delete such benefits as a cost-saving measure would adversely affect the military services ability to meet their accession and retention goals; and

WHEREAS, The American Legion believes that the declining numbers of 18-year old men will likely force resumption of the draft, and will encourage Congress to authorize an education incentive program as a readjustment benefit comparable to those that were provided under Public Law 89-358 the so-called "Cold War Veterans Readjustment Act;" now, therefore, be it

RESOLVED, by the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana on October 15-16, 1980, that The American Legion urge Congress to enact legislation which would authorize and fund an education incentive program to support retention and recruiting for Active and Reserve forces, examples of which follow:

(1) As a pre-service benefit, a loan forgiveness program for direct or guaranteed educational loans by the Federal Government which would reduce or cancel such loans through honorable military service;

(2) As an in-service benefit, the current 75% limitation on in-service tuition assistance could be expanded to provide payment of 90% of instructionally related expenses as well as basic tuition costs or fees in lieu of tuition;

(3) As a post-service benefit, educational benefits patterned after the Chapter 34, or VEAP programs could be extended to those who do not avail themselves of either the pre-service or in-service programs; and, be it further

RESOLVED, that The American Legion recommend to Congress that any such educational incentive program be funded as a Department of Defense function but be administered by the Veterans Administration since the VA currently has staff and expertise to administer such a program.

BRIEF HISTORY OF "G. I. BILL" BENEFITS

(Addendum to Statement by The American Legion on March 25, 1981)

In response to the Subcommittee Chairman's stated scope of these hearings, I believe it would be appropriate to recite briefly the history of the previous G.I. Bills. The American Legion was very active in the enactment of the Servicemen's Readjustment Act of 1944, better known as the "G.I. Bill of Rights." Sixteen days after the D-Day invasion of Europe, June 22, 1944, President Roosevelt signed this legislation into law. The program, amended by Congress and extended to the present by the Korean Conflict and the post-Korean Conflict - Vietnam Era G.I. Bills, changed the entire concept of adult education in the United States.

WORLD WAR II G.I. BILL

To be eligible for G.I. Bill benefits, a World War II veteran had to serve 90 days or more after September 16, 1940 (and must have entered service before July 26, 1947, as was later determined), with other than a dishonorable discharge.

Education payments were made by the Veterans Administration, up to a maximum of $500 a year, to the educational and training institution for tuition, books, fees and other training costs. VA also paid the veteran with no dependents taking full time training a subsistence allowance of up to $50 a month. This was increased to $65 a month in 1946 and to $75 a month in 1948. Allowances for veterans with dependents were higher. There was a $210 a month limit on the WW II veterans' combined earnings and VA subsistence allowances. Neither of the subsequent G.I. Bills had a limit on income.

The 15½ million veterans eligible for this program were entitled to one year of full-time training plus a period equal to their time in service, up to a maximum of 48 months of training.

This program ended July 25, 1956. During its 12-year existence, approximately 7.8 million WW II veterans received training, slightly more than 50% of those eligible; 2.2 million in institutions of higher learning, nearly 3.5 million below college level; 1.4 million on the job, and almost 700 thousand in institutional on-farm courses. The total costs of the World War II G.I. Bill education and training program was $14.5 billion.

KOREAN CONFLICT G.I. BILL

Public Law 550, the "Veterans Readjustment Assistance Act of 1952," was approved by the 82nd Congress, and signed by President Truman on July 16, 1952.

To be eligible for Korean G.I. Bill benefits, a veteran had to have served 90 days or more after June 27, 1950 (and must have entered service before February 1, 1955, as was later established) with other than a dishonorable discharge.

A veteran with no dependents taking full time training received a direct payment from the VA of $110 per month, out of which the veteran had to pay for tuition, books, fees, supplies and other training costs. Allowances for veterans with dependents were higher. The decision to have veterans pay for their tuition and books was made after Congressional hearings disclosed wide-spread fraud by colleges and other institutions under the World War II G.I. Bill.

Korean veterans were entitled to G.I. Bill education and training for a period equal to one and one-half times their active service, up to a maximum of 36 months training.

This program ended on January 31, 1965. During its 12½ year history, 2,391,000 our of 5,714,000, or 42%, of eligible Korean veterans received training; 1,213,000 in institutions of higher learning; 860,000 below college level; 223,000 on the job, and 95,000 in institutional on-farm training. The total costs of the Korean Conflict G.I. Bill education and training program was $4.5 billion.

VIETNAM ERA - POST-KOREAN G.I. BILL

Post-Korea covered the period from February 1, 1955 to August 4, 1964, while the Vietnam Era ran from August 5, 1964 to May 7, 1975.

Public Law 358, the "Veterans Readjustment Benefits Act of 1966," was passed by the 89th Congress, and signed by President Johnson on March 3, 1966. The education and training program under this G.I. Bill went into effect on June 1, 1966.

To be eligible, a veteran had to serve more than 180 continuous days, any part of which was after January 31, 1955, with other than a dishonorable discharge. Further, for the first time in U.S. military history, servicemen with at least two years of active duty (changed to 180 days in 1970) were also eligible for G.I. Bill education and training.

Public Law 93-337, enacted in July 1974, extended the eight year delimiting date to 10 years.

Originally, this G.I. Bill provided one month of education and training for each month of service, with a maximum of 36 months entitlement. This was changed, effective December 1968, to 1½ months of entitlement for each month of service, with 18 months of service after January 31, 1955, qualifying a veteran for the full 36 months, if the military obligation had been satisfied. In December 1976, maximum entitlement was extended to 45 months.

A major change in 1967 enabled veterans to take cooperative farm, on-job, flight and correspondence training. Disadvantaged veterans, those who did not finish high school before entering service, are given full VA benefits while completing high school without having any of this assistance charged against their entitlement which can be used for college or other training.

As under the Korean Conflict G.I. Bill, payment of the VA education and training assistance allowance is made directly to the veteran, out of which is paid tuition, fees, books and other training costs.

A veteran with no dependents in full-time institutional training received $100 a month from VA under the Bill as first passed. This was increased to $130 a month in 1967; to $175 a month in 1970; to $220 a month in 1972; $270 in 1974; $292 in 1976; $311 in 1977, and to the present $327 which became effective October 1, 1980. On January 1, 1981, this amount was increased to $342 a month.

During the past 14 years, nearly 5.5 million out of 8.8 million eligible Vietnam Era veterans have entered training under the current G.I. Bill. Altogether, including servicemen and post-Korean veterans, over 7.6 million Americans have trained under the present program (these figures are valid through April 1980).

G. I. Bill usage peaked in 1976 when 2,822,000 trained. At the end of April 1980, there wre 623,489 on the rolls.

As of the end of Fiscal Year 1979, the VA had spent in excess of $30 billion to provide educational assistance under the current G.I. Bill education and training program.

Public Law 94-502, the "Veterans Education and Employment Assistance Act of 1976," terminated the G.I. Bill, as it was known by 17.6 million veteran - students since 1944, effective December 31, 1976. Veterans who were in service before January 1, 1977, have 10 years after separation or until December 31, 1989, which ever is earlier, to complete G.I. Bill training.

POST-VIETNAM ERA VETERANS EDUCATION ASSISTANCE PROGRAM

Those who entered the Armed Forces after 1976 are eligible for the "Post-Vietnam Era Veterans Education Assistance Program" (VEAP). This program calls for monthly contributions by service members choosing to participate. The government matches their contributions two-to-one and sets up a fund for their Post-service training. A maximum of $2,700 can be set aside by the participant with government contributing a maximum of $5,400.

Only 23.3% of all eligible personnel enrolled in VEAP during Fiscal Year 1979, and approximately 50% of those who did enroll, voluntarily discontinued their participation.

VFW VETERANS OF FOREIGN WARS OF THE UNITED STATES

NATIONAL LEGISLATIVE SERVICE

Office of Director

STATEMENT OF

PHILIP R. MAYO, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO
LEGISLATION RELATIVE TO PROVIDING FOR EDUCATIONAL INCENTIVES TO
ENHANCE RECRUITMENT AND RETENTION OF PERSONNEL FOR THE ALL VOLUNTEER FORCE

MARCH 25, 1981

WASHINGTON, D. C.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to present the views of the Veterans of Foreign Wars of the United States with respect to providing for educational incentives to enhance recruitment and retention of personnel for the all volunteer force.

Mr. Chairman, the V.F.W. recognizes the undeniable need of the Armed Forces to attract and retain the necessary number of qualified personnel into service. The desire to maintain an all volunteer force makes meeting manpower requirements more difficult, particularly when military service and life is viewed with some disfavor, as is currently the case. Therefore, the offering of generous educational benefit incentives for recruitment purposes may be considered a viable means to increase enlistments into the military, and may also help resolve the very pressing problem of retaining a sufficient number of qualified enlisted personnel in a career status. It is becoming increasingly apparent that the educational benefits package as provided for in Public Law 94-502, the Post-Vietnam Era Veterans Educational Assistance Program, is not attracting either the quality or quantity of enlisted personnel into the military that are necessary to accomplishing its mission—with the Army, according to Department of

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Defense's (DOD) estimates, still short of its authorized peacetime strength. It also appears that the pay/benefits package currently in place for military personnel may not be sufficient to retain those who are already in service, with the attrition rate in the Army, again according to DOD, still at a high level; with the Air Force recently falling short of its recruiting goals for the first time; and with the Navy forced to retain ships in port due to the lack of qualified personnel to man them.

Many acknowledge that some form of educational incentives may provide the needed impetus for increasing the flow of more personnel into our military and to retaining a reasonable number of those personnel in a career status. The fact that educational benefits have aided veterans of previous conflicts is undisputed, with the utilization rate for such benefits for veterans ranging from approximately 42 percent for the Korean GI Bill to approximately 60 percent for the Vietnam Era GI Bill; with those benefits contributing substantially to higher tax revenues for our state and federal governments, and to better employment opportunities for our Nation's veterans. It is reasonable to conclude, therefore, that similar benefits might accrue to those who receive educational incentives as a result of their service in our all volunteer force, both in terms of advancement in the military, or in greater opportunities in civilian pursuits.

On the other hand, Mr. Chairman, others have indicated that the monetary cost of the all volunteer force is too prohibitive and is not keeping pace with the rate of escalation in the pay/benefits package offered in the private sector; that the military is becoming the employer of last resorts; that recruitment stresses have brought more economically distressed people into the military ranks; that the military forces are undermanned, undertrained, and underqualified; that the services are competing one against the other in an effort to recruit highly qualified enlistees from an ever decreasing pool of eligibles; and that the only manner in which these problems can be resolved is by the return to an equitable draft.

Mr. Chairman, the V.F.W. views this situation as somewhat ironic. In a time when substantial reductions in employees, funds, and programs administered by the VA (Departments of Veterans Benefits and Medicine and Surgery) appear imminent, we find ourselves addressing a new and costly program of educational benefits in order to resolve the personnel needs of our military force, needs which will ultimately be partially met by that agency. The various Veterans Educational Assistance Program proposals we have studied would all require servicing over a longer period than any other veterans educational program undertaken--over forty-five years. We also find it ironic that the VA, under several of the proposals, would be required to fund some portion of the benefits provided for when that agency is facing the greatest financial stresses ever while trying to accommodate the needs of veterans of previous conflicts, and when the primary benefit resulting from these proposals would accrue to our military forces.

As you know, Mr. Chairman, the V.F.W. has historically supported the awarding of veterans' benefits predicated upon honorable service in the Armed Forces of the United States during periods of war and hostility; that to award such benefits based upon peacetime service would ultimately lead to the dissolution of veterans' benefits. The voting delegates to our most recent National Convention, held in Chicago, Illinois this past August, in reaffirming this position, passed Resolution No. 697, entitled "Oppose Curtailment or Elimination of Earned Veteran Benefits and Privileges," a copy of which is appended hereto. In addition, the V.F.W. has historically opposed the removal of veterans programs from the control of the VA. The delegates to our Convention also reaffirmed this position by adopting Resolution No. 611, entitled "Government Reorganization," a copy of which is also appended hereto.

We also must consider, Mr. Chairman, that the possibility of a return to conscription of personnel for our Armed Forces is a real one. By authorizing veteran's educational benefits to be passed on to dependents, in order to induce personnel to remain in our Armed Forces, as many of the proposals on this matter do, a precedent may well be established for providing similar benefits to the dependents of those who may be conscripted. Also, the awarding of such benefits may not ultimately enhance the attaining of recruiting goals by the Armed Forces. By educating those who are part of the pool of eligibles, that pool would be numerically diminished, thereby reducing the incentive to enter military service in order to obtain such benefits. Consequently, such a provision in this program may prove to be a self-defeating one.

Accordingly, Mr. Chairman, the V.F.W. is supportive of the concept of instituting an educational benefits program for the purposes of recruitment and retention of personnel for our Armed Forces. Continued Congressional resolve in supporting the concept of the all volunteer force requires that the means to make such a plan work be implemented and not denied. We believe this commitment to the all volunteer force requires that an educational incentive program be implemented, and such a plan should embody a number of concepts. They are:

1. that the benefits ascribed to the plan should be fully funded through the Department of Defense, with the VA supplying only the personnel (including their cost) to administer the program;
2. that those currently enrolled in the V.E.A.P. program and those service members who have eligibility under the Vietnam Era GI Bill be accorded the opportunity to participate in the new program;
3. that the thrust of such legislation be aimed primarily toward the use of the benefits by the veteran himself;
4. that the Reserves and National Guard be afforded the opportunity to become eligible, to some degree, for benefits under such a program.

Mr. Chairman, this concludes my testimony and I would be happy to respond to questions you may have at this time.

RESOLUTION NO. 611—GOVERNMENT REORGANIZATION

WHEREAS, Public Law 95-17, the Reorganization Act of 1977, grants the President of the United States authority to revamp Executive Branch agencies below cabinet level, subject to veto by either House of Congress within 60 days; and

WHEREAS, when the President was Governor of the State of Georgia, he attempted to combine the Georgia State Department of Veterans Service with Human Resources; and

WHEREAS, the Veterans of Foreign Wars has historically opposed the splintering of veterans' benefits and programs by other departments and agencies; now, therefore

BE IT RESOLVED, by the 81st National Convention of the Veterans of Foreign Wars of the United States, that we oppose any proposed Presidential reorganization or other plan which would abolish all, or part of the functions of the Veterans Administration, or its programs; consolidate all, or part, of the Veterans Administration and its programs with any other agency; or, change the name of the Veterans Administration or downgrade the title of the Administrator; or, which would, in any way, dismember the integrity of the programs administered by the Veterans Administration.

Adopted by the 81st National Convention of the Veterans of Foreign Wars of the United States held in Chicago, Illinois, August 15-21, 1980.

RESOLUTION NO. 697—OPPOSE CURTAILMENT OR ELIMINATION OF EARNED VETERAN BENEFITS AND PRIVILEGES

WHEREAS, there is a growing trend toward reduction of the earned benefits and entitlements of veterans, their spouses, dependents and survivors which were explicitly promised or provided by law or regulation in recognition of the hardships and dangers of service life; and

WHEREAS, the erosion of the earned benefits and entitlements are detrimental to the morale of veterans, active, reserve and retired; and

WHEREAS, the continued erosion and reduction of earned benefits and entitlements will adversely affect maintaining an effective and efficient military force needed for the security of the United States; now, therefore

BE IT RESOLVED, by the 81st National Convention of the Veterans of Foreign Wars of the United States, that we oppose all efforts by any individual, group, organization, government office, bureau or agency, or the United States Congress, to discriminate against a veteran, discharged under honorable conditions, or to eliminate or curtail in any manner their earned benefits or privileges.

Adopted by the 81st National Convention of the Veterans of Foreign Wars of the United States held in Chicago, Illinois, August 15-21, 1980.

STATEMENT OF THE
AMERICAN VETERANS COMMITTEE
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
OF THE HOUSE VETERANS AFFAIRS COMMITTEE ON H.R. 1400,
THE VETERANS EDUCATIONAL ASSISTANCE ACT OF 1981,
AND RELATED BILLS

March 25, 1981

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

The American Veterans Committee welcomes the opportunity to testify today on legislation to enact a peace-time GI Bill. We testified last year before the Senate Veterans Affairs Committee on behalf of such legislation, and are pleased to again support the principle of a peace-time GI Bill. We commend this Subcommittee for holding these hearings and focussing attention on the need for such legislation which would not only benefit the veterans involved, but also the nation as a whole. We also see a well-designed peace-time GI Bill as a means of assisting the All Volunteer Force attract a more representative cross-section of the nation's youth in meeting its manpower requirements.

AVC has always supported education benefits as a positive means of assisting veterans in returning to civilian life. Many of our own members have utilized past GI bills and have achieved their professional status as a result of this veterans' benefit.

The AVC platform states:

> AVC believes that experience has shown that the federal funds used to pay educational benefits for veterans have been repaid to the Treasury many times over in the form of higher income taxes collected from those whose education, financed by the GI Bill, has resulted in higher earnings.

AVC has always supported the World War II model of the GI Bill--providing veteran-students separate tuition and living allowances. Under this system, the veteran-student is able to chose the school that best suits his/her needs and talents, not the one with the lowest tuition. Both the Korean and the Vietnam-era GI Bills provided a single allotment from which the veteran had to pay tuition and other school costs, and all living costs. We believe that this kind of system does not permit the veteran a free choice of schools and that it channels the individual into the lowest-cost schools, and had urged the World War II system be adopted. AVC therefore endorses the approach of Senator Armstrong's bill, S.25 and Congressman Bennett's bill, H.R. 135, in following the World War II model which gave separate tuition and living allowances. Not only is this "tuition-sensitive" approach more generous to the veteran, but it also allows a wider range of options regarding choice of college.

The first GI Bill after World War II changed the face of this nation and its educational profile. General Omar Bradley reminded the nation of this fact during the 25th anniversary celebration of the GI Bill.

> The World War II GI Bill was an investment in human beings.... It has paid unparalleled dividends just as the current GI Bill is already doing for the young veterans of today....
>
> In the GI Bill, Congress offered the veterans a valuable stake in themselves. They took heart in the knowledge that the nation

> stood ready to back their civilian chances in making good. Veterans wanted only the fair chance to become self-supporting, self-sufficient, self-respecting American citizens....
>
> The GI Bill...provided a uniquely new and different investment in the proven capabilities of our young men and women. It gave them the freedom to find their own security as confidently as they had once sought security for the nation....
>
> The GI Bills give our democratic way of life great strength and vitality. Today, as was true twenty-five years ago, it is on America's fighting men that this nation must depend. Their service honors us all, and today, on this Silver Anniversary of the GI Bill, I salute them all.

As General Bradley has so eloquently stated, the first GI Bill was an investment in human beings. The benefits to the nation from it and the bills which followed have been numerous; tangible in terms of tax dollars to the U.S. Treasury; intangible in the quality of life enhanced by higher educational attainments and subsequent professional advancement for millions of Americans who passed on these advantages to their children.

When the Vietnam era GI Bill ended in 1976, AVC felt an opporutnity was lost that would have served the nation as a whole. Like others, we hoped that the Veterans Educational Assistance Program created in 1977 to take its place, would be an adequate substitute. The Navy has reported that only 23 percent of the eligibles have participated in VEAP. Other services also report similar participation rates. Furthermore, it has been reported that almost one-third who opt to participate drop out of the program. In contrast, the participation rate of veterans in the Vietnam GI Bill is 56.4 percent. (If active duty personnel are included the rate goes up to 64.8 percent.) The rate for the Korean Bill was 43.4 percent; for the peace-time cold war version, 45.5 percent. VEAP has not met the expectations of its designers and taken the place of a GI Bill.

AVC supports a peace-time GI Bill and believes that the Armstrong-Bennett proposals will best achieve its purposes. We are convinced that a well-designed GI bill at this time is in the best interests of the nation. Admiral Zech, testifying before this Subcommittee last week, summed it up well:

> I believe further that an investment in the educational growth of our young people, those who volunteer to serve in the military forces, is an investment not only in the strength of our nation, but, in a broader way, in the future of our country.

There is an important issue relevant to this discussion of a peace-time GI Bill. Serious questions about the effectiveness of the All-Volunteer Force have been raised. All the military services have endorsed enactment of a peace-time GI Bill. The two major problems identified by the top personnel officers of all the services when they appeared before this Subcommittee last week were "recruitment" and "retention." General Meyer, head of the Joint Chiefs of Staff, emphasized that "turbulence" in the ranks was the greatest deterrent to readiness in the armed forces today. All the services testifying last week are convinced a peace-time GI Bill would address this "turbulence" and meet the services' requirements for more effective methods of retention and recruitment.

But a GI Bill should not be expected to be a panacea for meeting all the ills of the All-Volunteer Force. The limitations of what a GI Bill can do and should do must be recognized. Professor Charles Moskos in his testimony before this Subcommittee questions whether a GI Bill can simultaneously serve the purposes of both recruitment and retention. We agree with Professor Moskos that a GI Bill can serve as an effective recruitment tool. It is possible that with a more representative mix, some retention problems will be ameliorated also. But we call attention to Senator Armstrong's warning that "a new GI Bill is not the answer to all our military manpower problems, but it can be the answer to our recruitment problems--if we don't overburden the GI Bill by trying to make it do too much." Furthermore, we believe that a GI Bill must be simple and easily understandable. Complicated formulas of differing eligibilities for different kinds and terms of service may discourage the prospective consumers and limit its appeal.

The military services and astute observers believe that educational benefits are an incentive for recruitment, particularly of middle-class, college-bound youth that are now almost totally unrepresented in the armed forces today. All the services reported an upsurge of enlistments in the months before the Vietnam-era GI Bill of Rights expired in 1976. A peace-time GI Bill would provide a more representative military force because it would attract higher numbers of high school graduates and education-motivated youth. Furthermore, the services foresee a lower attrition rate with this kind of representation. Admiral Zech predicted that with this richer mix of high school graduates, there would be eventually a reduced demand for accessions. Lower attrition rates would be an indirect benefit of the recruitment potential of a peace-time GI Bill.

Clearly, a more representative military force is desirable, both practically and philosophically. We have raised questions about the representativeness of the All-Volunteer Force in the past, and whether it was desirable to have only a narrow segment of the population bear the burden of military service as is the situation today. Under the current workings of the AVF, the less educated, the less advantaged, are fulfilling this role. AVC raised this question before: what are the implications for a society that excuses its privileged and better-educated from sharing in the defense of the nation? The services have given ample testimony as to their interest in having a more representative force with a richer mix of high school graduates and upper percentile enlistees.

Arguments have been made against passage of a peace-time GI Bill that it is not cost-effective and that it is too expensive. We think that Professor Moskos in his testimony demonstrates this is not the case.

We also share the view that retention problems should be mainly addressed by other means. We recognize retention as a real problem, one that is crucial to the effectiveness of the Ready Force. The questions of adequate pay, housing, medical care need to be addressed. But also questions of esprit de corps and the institutional framework of military service are ones that have yet to be explored. We believe it would be self-defeating however if the proposed GI Bill would seek primarily to deal with these other areas of concern.

AVC therefore urges enactment of a peace-time GI Bill using a World War II model and supports legislation along the lines of the Armstrong-Bennett bills.

TESTIMONY OF GABRIEL P. BRINSKY

AMVETS National Service & Legislative Director

To The
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

Before
THE HOUSE VETERANS AFFAIRS COMMITTEE

March 25, 1981

AMVETS appreciates the opportunity to appear before this Sub-Committee to express its views on HR 1400 which would amend Title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces.

In testimony during the 96th Congress before Sub-Committees of the House Veterans Affairs Committee, AMVETS expressed the view that while we were sympathetic to the problems of the military in the recruitment and retention of personnel, this was strictly a matter for the Armed Forces and veterans benefits administered by the Veterans Administration should not be resorted to in order to obtain the desired goals. It was then, and it continues to be, our opinion that veterans benefits should not be utilized as a means to solve or correct problems which are strictly military in nature or origin.

We have no quarrel with the concept and purpose of HR 1400. Our objection to certain provisions of the Bill is more philosophical and academic in nature rather than substantive.

HR 1400 is not a veterans' Bill and it is not an Armed Forces Bill. It is a mixture of both. We strongly favor a veterans' educational assistance bill and we would have no objection if a peripheral benefit accrued to the Armed Forces which would aid it in its recruitment and retention of personnel. Still, in our opinion, it should be a veterans' bill consistent with and in the mold of past legislation and should be administered by the Veterans Administration.

This it not a veterans' bill. I will not refer to its specific provisions with which I am sure that this Committee is eminently familiar. Broadly, it would provide certain benefits for peace time service which were never available heretofore to those who had served in time of war. Its obvious purpose is to assist in the recruitment and retention of military personnel than the creation of an additional veterans' benefit. The supplemental educational assistance for additional service, the transfer of entitlement to dependents, and the preservice educational assistance programs, are purely divorced from any prior concept of veterans educational benefits.

It is the view of AMVETS that there is a need for a veterans educational bill. Such legislation should be consistent and within the realm of past veterans' educational assistance programs. Should the military by reason of having difficulty to recruit and maintain personnel in the Voluntary Armed Forces desire to add auxilliary benefits, it should do so under separate legislation. Thus, it should leave intact the conceptual role of the Veterans Administration of administering benefits solely for veterans. Under this bill, the authority of the Veterans Administration would be expanded to administer to the members of the Armed Forces,and preservice non-veterans, as well.

AMVETS traditionally has zealously advocated the retention of the administration of veterans benefits in the Veterans Administration. We have opposed any erosion of this function. As a corollary, we prefer that its role not be extended beyond the administration of current clearly defined veterans' benefits. For changes in either direction could result in the erosion of the present lines of demarcation to the point that the Agency would lose its entity as the Veterans Administration.

This having been said, AMVETS has no substantive quarrel with HR 1400 and except for the reasons stated has no objection to its enactment.

This concludes my remarks. Thank you.

Correspondence Training
as an Option in the G.I. Bill

A Statement on behalf
of the
National Home Study Council

Submitted by
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March 1981

I am Lee Hughes, Director of Education of the Marine Corps Institute (MCI). I am a former Marine Corps officer and teacher and have recently completed my seventeenth year of service with MCI -- the last 6 years as Director of Education.

I am not giving a policy statement for the Marine Corps, but after being involved in all aspects of training by correspondence for over 17 years, I think that I am eminently qualified to speak about correspondence training in the Marine Corps and in the armed forces.

Today there are over 800,000 U.S. military personnel enrolled in correspondence courses covering several thousand subjects ranging from the Industrial College of the Armed Forces to the operation and employment of the M-60 machinegun.

For some servicemen and women, correspondence training is the primary means of acquiring training. For example, the Marines of the Marine Security Battalion assigned to United States embassies all over the world are among the biggest users of MCI courses.

The Marine Corps thinks highly enough of correspondence training to add up to 50 points to composite scores (used for determining promotion eligibility) for completing courses. In addition, the management of the correspondence course program and the unit completion rate are items that are inspected by the Inspector General of the Marine Corps in his annual unit inspections.

Correspondence study is an integral part of the training of all military services. A service man or woman becomes accustomed to the correspondence method of study. It is self-paced and an effective method of learning. It seems to me that it is quite natural for a former service person to look to continue this method of study when he or she returns to the civilian world.

Whether it is a course from an NHSC accredited school or one of the numerous academic courses offered by over 100 of our major universities, there is a large population which feels "at home" with the home study method of learning. I feel that these people should have the right to continue their education, using the G.I. Bill benefits that they have earned, at an accredited correspondence school. What better way to accomplish the provisions of section 1416 of the proposed Veterans Educational Assistance Act of 1981 than to allow a service person to use the G.I. Bill to further his or her education by correspondence study while continuing to perform his or her military duties no matter where he or she is stationed. I strongly urge your positive consideration for retaining the right to study by correspondence as an option in the G.I. Bill.

CORRESPONDENCE EDUCATION -- IMPACT ON THE G.I. BILL

A Statement for The
National Home Study Council

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SOME FACTS ON CORRESPONDENCE STUDY

1. According to studies by the National Center for Education Statistics, home study tuitions are considerably less than those of resident schools. Further, under the current G.I. Bill, home study students are paid only 70% of the tuition amount -- not a monthly stipend.

2. Eliminating correspondence training from the G.I. Bill will force servicemen and veterans into higher cost residential schools. Since attendance at residential schools costs more, any savings realized by cutting out home study will be nullified.

3. Veterans studying by correspondence under the current G.I. Bill are paid only 70% of the cost of tuition and are paid only after they have completed their lessons. This "after the fact" payment method makes overpayments impossible.

4. Correspondence schools provide entry level job training in skill areas of critical national value: electronics technology, computers, engineering topics, etc. Correspondence study is often the "last chance" school for veterans.

5. Correspondence training is a top choice of active duty service persons: over one third of the Vietnam era service persons chose home study as a method for study.

6. Correspondence training is effective. The largest supplier of home study courses is the U.S. military. The various armed services train over one million students a year using this cost effective method.

7. Correspondence training helps get non-productive and under-productive veterans into useful civilian jobs fast. Courses are practical and vocational. Home study has long been used by business and industry for internal personnel training. The nation's economy benefits with every technician trained by this method.

8. Correspondence courses reach out to train veterans who are geographically isolated, homebound by war injuries, or unemployed and unwilling to attend resident schools with people who are many years younger.

STATEMENT IN BEHALF OF THE NATIONAL HOME STUDY COUNCIL

I am John F. Thompson, President of McGraw-Hill Continuing Education Center of Washington, D.C. I am the Vice Chairman of the Accrediting Commission of the National Home Study Council. I have also served as the NHSC President. In July I will complete my twentyfifth year of service in home study education.

Before final action is taken on correspondence study in the G.I. Bill, I urge that careful consideration be given to this statement and to the distinguished record home study schools have achieved in helping veterans and active duty persons.

The Home Study Field

I submit this statement convinced that home study has really helped veterans. It is an educational method that is better understood by veterans and the everyday man-on-the-street than by most professional educators, legislators and regulators. It is an unusual combination of educational product and service that is used by people to fill their educational needs. Home study is used in many ways, but by large it is the kind of education that appeals to people who can't or won't take advantage of more conventional educational methods.

Today, more than three million Americans are enrolled in home study courses. It is estimated that since 1900 some 50 million Americans have taken home study courses.

NHSC schools offer more than 500 different academic and vocational courses by mail, such as: accounting, appliance repair, automotive mechanics, business administration, electronics, hotel-motel management, microcomputers, locksmithing surveying, and hundreds of other courses. Some unique courses are not offered in resident schools. All of these courses make use of specifically written texts and quite often include recordings, sample materials, and practical "hands on" training. Course lengths range from one to four years. The vast majority of schools enroll and teach students entirely through the mails.

Over the years home study schools can point to a solid record of achievement in providing valuable service to the nation and to many veterans who, without the benefits of home study, would surely have been denied an opportunity for education or training. Since the founding of the first private home study school in 1890, these schools have continued to meet a need not met by traditional education.

More importantly, we should realize that, if we are to attract highly qualified men and women into the military today -- and keep them in the service -- home study training should certainly be one benefit which is offered to them. Why? Because, as the data show, home study is a top choice of active duty people.

Home study has been an ideal educational alternative for service persons and veterans, including:

* the homebound individuals -- who, because of society's barriers, lack of transportation, or a handicap, cannot take advantage of local educational

resources. Students may be in hospitals or prisons -- but they can continue their education; nonetheless.

- the geographically isolated -- the individuals whose primary source of educational opportunity may well be the school which uses the postal system. Tens of thousands of active duty service people over the years have fit this classification.
- the busy adult -- NHSC surveys reveal that the typical home study student is in his or her mid-thirties, beyond the age when most of us receive our formal schooling. Many returning veterans, unable to devote their time to classroom study, opted to study by mail while they struggled to get re-established in society, start a family and earn a modest living while still trying to gain -- or update -- a salable civilian skill.

The National Home Study Council

The National Home Study Council, founded in 1926 under the cooperative leadership of the Carnegie Corporation of New York and the National Better Business Bureau, is usually referred to as the NHSC. It is a non-profit educational association of more than 90 accredited home study schools. Although the NHSC is nationally known and its Accrediting Commission is nationally recognized, it is relatively small when compared to most other educational associations. NHSC schools are located in 23 States and the District of Columbia. The association is financed entirely by dues paid by members. While the Council is a non-profit association, it receives no financial assistance of any kind from the government.

The independent nine-member Accrediting Commission of the National Home Study Council was established in 1955; shortly thereafter, it gained the approval of the U.S. Department of Education as the "nationally recognized accrediting agency" for home study schools. The Accrediting Commission includes five public members (representatives from the fields of industry, postsecondary education, business, government, and counseling), and four members from the field of home study education.

Home Study and the Veteran

For the veteran or active duty person, home study has long been an accepted way of acquiring a career skill in a convenient, effective way.

During the late 1960's and early 1970's, of all active duty servicemen using their G.I. Bill benefits, over half of them used their benefits to enroll with a correspondence school. The barriers of time and space did not prevent these people from preparing to make a smooth re-entry into the peacetime work place. Home study was there to help them. And it did!

In fact, a publication entitled "Veterans Benefits Under Current Education Programs (IB 04-77-1)," published by the Veterans Administration, reported the following:

- More than 1.1 million veterans and service personnel have studied correspondence courses during the period 1966-1976. This represents 17.8% of the total of all G.I. Bill students enrolling in all types of schools.

- More than 33% (or 240,198) of the service personnel on active duty using G.I. Bill benefits enrolled in correspondence courses.

- The report states: "Almost all correspondence training has been taken at schools other than colleges." In fact, 99.2% of the students studied with private home study schools . . . the vast majority of them with NHSC schools.

- For peacetime post-Korean veterans, more than 23% (or 324,510) of the students elected to study by correspondence. Stated the Veterans Administration:

> "The relatively high incidence of correspondence training among trainees who are peacetime post-Korean conflict veterans probably reflects the fact that for many of these older, more established veterans correspondence is the only type of training flexible enough to fit their more rigid family and job requirements."

In the 1980's, we face new challenges as a nation: preserving our liberty by maintaining a strong defense posture. The key asset to a strong military is to have a cadre of educated, talented people. And, if we ever hope to get the best qualified people into our military -- and keep them there -- home study training must be offered as a benefit.

The Benefits and Advantages of Home Study

One of the central advantages of the home study method has been its flexibility.

In a 1976 Veterans Administration report, Senate Committee Print No. 49 (94th Congress) entitled, "Training by Correspondence Under the G.I. Bill," it was stated:

- Correspondence training has a much lower average cost than other types of training. And correspondence training is convenient. Potential trainees, who would have to give up their job or suffer some other inconvenience to take other types of training, can often use their spare time to take correspondence training, as can many service personnel whose duties preclude other types of training. In addition, correspondence training has the attribute of less foregone earnings than other types of training because it can be taken in the trainee's spare time. It, therefore, requires no living expense subsidy in addition to tuition.

Other factors explaining the popularity of home study include:

1. Home study is one of the lowest cost types of education. In a 1976 National Center for Education Statistics Report, "Learning a Skill Through Correspondence

it was stated: "Correspondence programs cost less, on the average, than those taken in residential schools. In 1976, the average charge for all correspondence programs was $698 and $1,693 for non-correspondence programs." A similar 1978 study by NCES affirmed this wide gap.

2. Home study is a valid educational alternative. More than two dozen research studies over the past 50 years have shown that ". . . the research seems clearly to indicate that correspondence students perform just as well as, and in some cases better than, their classroom counterparts." (Source: Correspondence Study: A Summary Review of the Research and Development Literature by David E. Mathieson, 1970).

3. The single largest supplier of home study in the world is the U.S. military. To active duty personnel, home study training is an integral part of every career person's training portfolio. For example, the Extension Course Institute of the U.S. Air Force enrolls over 300,000 students. The Marine Corps Institute enrolls some 100,000 students. The U.S. Army enrolls over 280,000 students and has over 2,000 courses. Other service correspondence schools include the U.S. Navy and the U.S. Coast Guard. Most of these schools have been operating for 50 years or more.

The Air Force, Army and Marine Corps correspondence schools are all accredited by the Accrediting Commission of the National Home Study Council. The military has identified correspondence study as one of the most cost efficient training methods available.

4. The Federal Government is the single largest supplier and user of correspondence instruction in the United States. In 1973, nearly 2 million students were enrolled by government agency correspondence schools, almost 50% of the home study student body in America.

   Federal agencies with correspondence schools include the Federal Aviation Administration, the U.S. Department of Agriculture, the Department of Transportation, the U.S. Postal Service, and the Office of Personnel Management, to name a few.

   The government has found home study to be a flexible, effective teaching method which has been proved to be both economical and "controllable" in terms of educational content and level of educational quality.

5. In a 1976 Stanford University research project entitled, Home Based Education, funded by the National Institute of Education, the following major conclusions were reached:

- The "large numbers" of students taking the wide variety of courses by correspondence "provide adequate testimony to the need for home-based (correspondence) education."
- Correspondence instruction is relatively inexpensive and "it will continue to have a robust future for the rest of this century."

Budget Considerations

The Administration and Congress are laudably seeking ways to cut the budget in an equitable fashion. But, should correspondence training be a part of these budget cuts?

We believe the answer is "NO." To summarize our position, we submit that correspondence study is:

- the least expensive method for job training requiring the least expenditure of funds.
- one of the most popular forms of education among active duty service people generally, and hence, a powerful inducement for enlistmeht and retention.
- a highly cost effective way of providing useful, critical skills to veterans -- as demonstrated by the heavy use of home study by the military.
- able to train thousands of veterans outside the classroom walls, where monthly benefits for a one year electronics program run up a larger tab, as shown below:

Electronics Technology Courses
(Veteran with 3 Dependents)

Home Study	Residence (full-time)
70% x $1,200 tuition = $840 paid by government.	12 months x $493 = $4,056 costs paid by government.

It's simple arithmetic. The Federal Government would save $3,216 on just this one typical case.

- incapable of creating the cost over-runs as seen in residence institutions, since home study students are paid only after the fact.

Preserve Home Study for a Strong America

We submit that home study schools have done the nation a service by providing high quality career vocational training to over one million veterans. If anything, home study should be commended by Congress for helping to reach out and enhance the employability of veterans who might never have taken any other avenue toward employability.

We submit that if Congress asks the students who took courses if they had benefited, the overwhelming response would be "YES."

We submit that correspondence training has, for over three decades, helped underemployed or unemployed veterans, disabled or isolated veterans, and older or disadvantaged veterans, and opened the door to educational opportunity to them.

We submit that home study benefits will help attract qualified people into the military.

We respectfully submit that it is in the nation's best interest that Congress encourage greater participation by veterans in correspondence training -- to put more people back to work to get the country going again.

We face a need in our society to provide our veterans and service people with more ways to obtain specific, job-related training. We must make better use of alternative forms of education like home study which are, by their nature, well-equipped to fill critical gaps in our educational system.

Home study will continue to grow in the military, in the government and in civilian circles because there will be future generations of people who won't be able to report regularly to a classroom to learn, but who, nonetheless, need and deserve the right to study on their own, wherever they wish, at their own learning pace.

America needs home study as never before, and Congress should support this educationally effective, energy efficient, low cost way to train people.

STATEMENT OF JAMES D. HITTLE, BRIG. GEN., U.S. MARINE CORPS (RET.)

Mr. Chairman:

My name is James D. Hittle. I am a retired Brig. Gen., U.S. Marine Corps.

I appear before you as a private citizen. It is my hope that I can provide you with some information that may help persuade this subcommittee as to the need for and benefits of new military education legislation.

My interest in the subject you are considering goes back many years. At the present time I am a consultant (non-paid) to the Commandant of the Marine Corps for equal opportunity and related personnel matters. In this capacity, I visit major Marine Corps bases at which I meet, over a period of 2-3 days, with small groups of officer and enlisted personnel.

My conclusions on military education legislation are based on my interest in military personnel matters, and on my informal discussions with these groups.

Briefly here are my conclusions:

Our armed services today are faced with two big problems: First, the failure to attract into service enough people of high mental standards; and second, the failure to retain in service enough of those who do meet higher mental standards. I firmly believe that a new GI Bill could help solve these dual problems.

But it must - and I emphasize this point - be the right kind of a GI Bill.

As I see it, here, in brief is what is needed in a new GI Bill:

1. The serviceman should not have to leave the service, as in the past, to use his full time educational entitlements. They should be available to him even after a service career.

2. The entitlements should be transferable to either the spouse or child. The retention problem would be alleviated by making the transfer

rights available only after a fixed number of years of service. Sixteen years seems a reasonable figure.

To avoid rare abuse of the transfer rights, "instant children" by last minute adoption should be disqualified. A reasonable safeguard provision would require legal child status for two years in order to benefit from transfer rights.

Educational transfer rights would be accurately tuned to one of the most serious problems facing the service family today - the high cost of a college education. In spite of the recent and projected pay and allowance increases, most service families are still barely able to keep up with the cost of everyday living.

To save out of current income enough for a child's college education surely isn't possible for the average service family. Yet, for most servicemen, like most civilians, their hope and ambition is to see a child through college.

A 16-year transfer requirement would clearly, and firmly, require a career commitment in return for a government-paid college education for a serviceman's child. It's not only fair to the government and the individual, but it could well be, in view of the exodus of expensively trained officers, NCO's and petty officers from the service, one of the best dollars and cents investments from the government's standpoint.

In short, I firmly believe a new GI Bill would help attract people with higher mental standards into service, and with transfer rights it would be a powerful reason for many of them staying in the service. Thus it would meet, to a significant degree, the present need to get such people into service, and then getting them to stay in service.

In my recent discussions with junior officers and enlisteds, I found them intensely interested in such educational transfer entitlement. Those with families said it would be a major factor in deciding "to go for 20 or more."

The reaction was pretty well summed up when a Marine sergeant said, almost in amazement, "Do you mean that if I go for career I could put my daughter through college?" That in itself tells why Congress should pass a GI Bill with transfer rights.

Thank you, Mr. Chairman.

STATEMENT ON
VETERANS EDUCATIONAL ASSISTANCE ACT OF 1981
(H.R. 1400, ET AL)

BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
VETERANS AFFAIRS COMMITTEE
U. S. HOUSE OF REPRESENTATIVES
25 MARCH 1981

By
ROBERT W. NOLAN
NATIONAL EXECUTIVE SECRETARY
FLEET RESERVE ASSOCIATION

Not to be released until made public by
the House Committee on Veterans Affairs

FLEET RESERVE ASSOCIATION
Serving Career Enlisted Personnel of the
U.S. NAVY • U.S. MARINE CORPS • U.S. COAST GUARD
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INTRODUCTION

Mr. Chairman and members of this distinguished Committee, I am Robert W. Nolan, National Executive Secretary of the Fleet Reserve Association. The FRA is a service organization comprised of 148,000 career enlisted personnel and commissioned officers with prior enlisted service in the U. S. Navy, Marine Corps and Coast Guard. As a retired Navy Chief Petty Officer, it is my privilege to present their views on the subject of an educational benefit incentives program to attract and retain personnel in our Armed Services.

I believe my testimony today is rather unique among that which you are receiving. That is because it is based entirely upon the views expressed by thirty-nine active duty personnel representing approximately 200,000 of their contemporaries in the military commands homeported or stationed in the greater San Diego, California area. The thirty-nine active duty members appeared before the G.I. Bill Forum last Saturday, 21 March 1981 in San Diego. The forum was co-sponsored by U. S. Representative Duncan L. Hunter and the Fleet Reserve Association to learn what those directly affected by the passage of this legislation think would attract and retain military personnel. The witnesses ranged from persons in pay grades E-4 with three years of service to E-9 with thirty years of service. In almost every case, each witness was serving as the spokesman for his contemporaries expressing the views of a ship's crew, an air wing or the personnel of a Naval, Marine or Coast Guard command. One witness was Sergeant First Class Todd, U.S.A., a veteran of 27 years, who is currently one of the U. S. Army's recruiters in San Diego.

PRESENTATION

Mr. Chairman, I appeared before this Subcommittee on 29 July 1975 as it considered the wisdom of extending the maximum education benefits from thirty-six to forty-five months and setting a new termination date for veteran's educational benefits. We were the only career military organization to appear. We cited the then current law:

"Section 1662(a), Chapter 34, Title 38, United States Code: (a) No educational assistance shall be afforded an eligible veteran under this chapter beyond the date 10 years after his last discharge or release from active duty after January 31, 1955."

The FRA's testimony was in full support of retaining that provision of law.

We stated, "The Fleet Reserve Association contends that the military careerist who qualifies as a wartime veteran is entitled to receive the same veteran's benefits as do those veterans who do not pursue a military career...If his veteran's benefits are abrogated, it could well give our career personnel cause for concern as to whether they should reenlist or seek an education... Such a breach of faith is not a firm foundation on which to build the desired All Volunteer Force."

Time has proven the FRA's fears were well grounded as you have received testimony from the personnel chiefs of the Services that forty percent of those leaving military service state their primary reason for leaving is to gain a college education prior to 31 December 1989. This exodus of experienced military manpower and leadership will continue to increase as 31 December 1989 draws closer if, the law is not changed.

THE G.I. BILL FORUM PREPARATIONS

In preparation for the G.I. Bill Forum, 6,000 copies of the attached "G.I. Bill Forum Testimony Guide" were distributed to the Navy's Command Chief Petty Officers and Career Counselors, the Marine Command Sergeants Major and the Coast Guard Command Enlisted Advisors in the San Diego area. This enabled military personnel to know what proposals the Congress is considering and to intelligently prepare for their appearance before the G.I. Bill Forum Panel. U. S. Representative Duncan L. Hunter, Dr. Glenn Beardmore, Vice President of Administration of National University and Dr. Patricia A. Watson, Director of Academic Services of the University of San Diego and myself were the panelists. Mr. Robert Emmerichs, Professional Staff Member of the House Armed Services Committee was present as an observer.

THE CONCENSUS OF THE TESTIMONY RECEIVED

Congressman Hunter and the Fleet Reserve Association are publishing a detailed report on the G.I. Bill Forum. However, to assist this Committee in its deliberations, the following is a summary of the key points of testimony received at the forum.

THE WORTH OF THE VETERANS EDUCATION ASSISTANCE PROGRAM, "VEAP"

All witnesses testified that the "VEAP" was a dismal failure as an educational incentive plan. They did not believe its latest improvements would improve its acceptability. Several career counselors testified that the only time a person contacted them about VEAP was to withdraw from the plan. They set the percentage of those who remain in VEAP at about 5 percent. Another witness classified the increase of VEAP benefits as "a band-aid approach". In answer to the question, "What motivated you to participate in VEAP?", Personnelman Third Class J. A. Valdez, U.S.N. of the Naval Air Station at Miramar stated, "It is better than nothing, sir." The audience applauded his statement.

ELIGIBILITY PROVISIONS PROPOSED

All thirty-nine witnesses fully supported an educational benefits incentive program based on a two-tiered concept which would apply to:

1. All who remain in or enter the Armed Forces and complete a minimum of one enlistment of honorable service and IS ELIGIBLE FOR RE-ENLISTMENT.
2. The exception to the reenlistment eligibility would be for those released for military disability with an honorable discharge.
3. They felt it is equitable and absolutely necessary to provide education benefits to persons serving a combination of active duty and Selected Reserve or National Guard service under lengthier terms but to assure Reserve and Guard personnel a college education.
4. They are absolutely opposed to granting benefits to persons separated administratively "under honorable conditions" or dishonorably discharged.
5. The witnesses were unanimous that the new law should have a stipulated limiting date after the service member's last discharge or release

from active duty.

6. The witnesses were unanimous that those service members who are qualified under the Cold War G.I. Bill and subsequently qualify under the new law have the option of electing benefits under one of the two laws.
7. The majority of the witnesses believed the new law should be retroactive to 1 January 1977.

EDUCATION BENEFITS OFFERED

The witnesses were of the unanimous opinion that a two-tiered program with benefits based on length of service offered the best basis for attracting and retaining service personnel. The following are the main points of their testimony:

1. The overwhelming majority recommended and supported a non-contributory plan.
2. They were adamantly opposed to linking education benefits to military skills. They said critical skill retention can be achieved more economically by other means causing less dissension in the ranks.
3. The vast majority believed that maximum benefits should be earned in eight years of service.
4. All witnesses were in agreement that any program should be monitored accurately to assure individuals are receiving an education thus, preserving the program's integrity.

THE TRANSFERABILITY OPTION

The option that sparked the greatest amount of comment was the proposal of transferability of benefits to the sponsor's spouse and children. While the overwhelming majority of witnesses testified there would be no real retention incentive without the transferability option, there were others that felt the earned educational benefit should be transferred to dependent children only and not to the spouse. When those who stated opposition to the transferability proposal were asked their reasons, they replied, they felt the cost of the provision may harm the chances of a new law being enacted. All witnesses were in agreement that the option of the transferability should be left to the service member alone and not the respective local courts. All witnesses were of the opinion the transferability option should only be earned after a minimum of ten years of service.

OTHER PROPOSED OPTIONS

The witnesses expressed solid support for the other proposed options contained in the various bills introduced to date, such as:

1. Pre-service educational entry program, and
2. Educational loan forgiveness for a specified period of service obligation.

IN SERVICE EDUCATIONAL PROGRAMS

Every witness had praise for the various in-service education programs and felt they should be strengthened and better publicized. However, the Navy witnesses emphasized the majority of the in-service education programs are of little value to the Sailor while he is serving aboard ship, in a submarine or deployed in an aircraft wing. The programs' maximum benefits are attained largely during the shore duty tours. All witnesses agreed that In-Service G.I. Bill benefits should be paid in the same manner and amounts as is paid to the separated veteran.

CONCLUSION

Every witness stressed the value of education benefits as a viable means to attract and retain personnel for our Armed Forces. They expressed the opinion there is nothing wrong with offering young Americans an education in exchange for military service. Indeed, some stated this would enhance the military in the eyes of the American public, as well as enhancing the military. For all of these reasons, the Fleet Reserve Association subscribes to the majority views expressed at the G.I. Bill Forum and will actively support the enactment of an educational benefits incentive program that embraces the provisions recommended at the G.I. Bill Forum.

We appreciate the opportunity to express these views today. We love and respect our representative form of government. That is why we spend the major portion of our adult lives to defend and perpetuate it. On behalf of my 148,000 Shipmates and their families, I thank you, Mr. Chairman.

USN ★ USMC ★ USCG

SOUND OFF TO CONGRESS!

via the U.S. Rep. Hunter/FRA G.I. Bill Forum!

G.I. BILL FORUM TESTIMONY GUIDE

U.S. Representative Duncan Hunter (R-CA), of California's 42nd U.S. Congressional District (a portion of San Diego and Chula Vista), and the Fleet Reserve Association are co-sponsoring a G.I. BILL FORUM to learn what the views of enlisted personnel are regarding the provisions of a new peacetime G.I. Bill. The open forum will be held in the Town and Country Room of the Town and Country Hotel, 500 Hotel Circle, in San Diego, California from 0900 to 1630 on Saturday, 21 March 1981. The Forum will consist of volunteer active duty personnel presenting testimony to a Panel on what provisions of law should be in a successful and effective peacetime G.I. Bill.

The Panel will consist of U.S. Representative Duncan Hunter, former U.S. Representative Bob Wilson, the Fleet Reserve Association's registered lobbyist, National Executive Secretary Robert W. Nolan, U.S.N. (Retired), and recognized experts in the field of education.

The Panel will be soliciting active duty personnel's opinions on such questions as

1. What educational benefits do you feel will attract and retain qualified personnel in our Armed Forces?
2. What mix of military service for education benefits would you deem to be fair?
3. Should you have the option of transferring your earned education benefits to your dependents?
4. How much time after release from active duty should be granted to pursue an education?
5. Should equal education benefits be granted for Reserve service as for active duty service?

U. S. Representative Duncan Hunter is a member of the U.S. House of Representatives' Committee on Armed Services. He is also a member of the House Armed Services Subcommittee on Military Personnel and Compensation which will pass on the provisions of a peacetime G.I. Bill. Therefore, your views will be presented to that Subcommittee during its deliberations on the subject. You are invited to attend the forum on 21 March 1981 and especially invited to present the views of your Shipmates on this key legislation.

To assist you in preparing for your appearance before the G.I. BILL FORUM we have attached a brief analysis of the current eight bills which have been introduced in the House and Senate to establish a new G.I. Bill. Please review their provisions and see how they differ. Very possibly, you may believe a law should be enacted that contains provisions from each of these bills. Please give us your thoughts and the rationale for the provisions you deem important.

We suggest to you that you choose one witness to represent your ship, station or base and present the testimony. In this manner, we can make the most of the limited time available and the panel can hear the maximum number of witnesses. Please use the attached testimony guide in preparing your testimony in advance. You will turn your statement in to Congressman Hunter at the completion of your testimony, it will serve as a reference for him when he returns to the Congress. You may wish to make a copy of it for yourself to keep. Your prepared statement should not exceed four 8 1/2" x 11" sheets of paper typed double-spaced on one side only with normal margins. Please keep your statement brief and concise so as to assure there will be ample time for the Panel members to discuss the points of your statement with you.

You should begin your statement before the G.I. Bill Panel by stating your name, rate or grade, Branch of Service, years of service, present duty station and billet and the organization or group you are representing as outlined in the spaces provided on the next page.

Please restrict your testimony to the subject of a new peacetime G.I. Bill. The Panel's time is limited and the issue of G.I. Bill legislation will be acted on by the Congress early this year and U.S. Representative Hunter desires your input now so that he may act in your behalf when he returns to Washington, D.C.

Congressman Hunter and the Fleet Reserve Association sincerely thanks you for your attendance and participation in their G.I.BILL FORUM.

In Loyalty, Protection and Service,

Robert W. Nolan

ROBERT W. NOLAN
National Executive Secretary

USN ⋆ USMC ⋆ USCG

SOUND OFF TO CONGRESS!

via the U.S. Rep. Hunter/FRA G.I. Bill Forum!

STATEMENT TO THE G.I. BILL FORUM PANEL

NAME________________________________RATE____________

BRANCH OF SERVICE________________YEARS OF SERVICE____________

DUTY STATION____

BILLET________________________REPRESENTING NO. OF PERSONNEL__________

ANALYSIS OF G.I. BILL LEGISLATION

	ELIGIBILITY	TUITION	STIPEND	SUPPLEMENTAL STIPEND	TRANSFERABILITY	RESERVES	DELIMITING	FUNDING
-25 .S. Sen. illiam rmstrong R-CO)	After 24 months = 27 months assistance. For each month thereafter = 1 month assistance. Max 36 months.	Full cost to max of $2,500 per year.	$250 per month	After six years, contributory program matched on a 2 to 1 basis. Max of $36,000.	Contributory program transferable to spouse or children.	NO	10 years from discharge or release from active duty.	Department of Defense
-26 .S. Sen. arry ressler D-SD)	After 24 months = one for one assistance. Combat or critical skills = 1 1/2 months assistance for 1 month service. Max 45 months.	NO	Single: $342 Married: $407 Married: $464 2 Dep. Each additional dependent $29.	May increase monthly stipend by reducing entitlement period.	After 8 years of active duty transferable to spouse or children.	Yes, 1 month entitlement for 2 months service. Max 36 months.	10 years from last discharge or release from active duty.	Veterans Administration
-48 .S. Sen. illiam S. ohen R-ME)	Critical military skill. After 24 months service = 18 months assistance. Next 12 months service = 6 months assistance. Fourth 12 month service = 12 months assistance. Non-critical military skill. After 24 months service = 12 months assistance. Thereafter 2 months service = 1 months assistance. Max 36 months assistance.	NO	Same as Pressler	NO	NO	NO	10 years from last discharge or release from active duty.	Department of Defense

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FLEET RESERVE ASSOCIATION
Representing All Enlisted Personnel - U.S.N., U.S.M.C. and U.S.C.G.

	ELIGIBILITY	TUITION	STIPEND	SUPPLEMENTAL STIPEND	TRANSFERABILITY	RESERVES	DELIMITING	FUNDING
S-5 U.S. Sen. John W. Warner (R-VA)	After 36 months service = 18 months. Assistance thereafter 1/2 months assistance for 1 month service. Max 36 months.	$1,500 per year.	$400 per month.	NO	Yes, transferable to spouse or child.	NO	6 years after discharge or release from active duty.	Veterans Administration.
S-7 U.S. Sen. Strom Thurmond (R-SC)	After 24 service = 36 months assistance. Max 36 months.	NO	$400 per month.	NO	Yes, transferable after 8 years active duty to spouse or child.	Yes, after four years 1 month service = 1 1/2 month assistance. Max 36 months.	10 years after last discharge or release from active duty.	Veterans Administration
H.R. 135 U.S. Rep. Charles E. Bennett (D-FL)	After 24 months service = 36 months assistance. Max 36 months.	$3,000 or tuition and fees, whichever is less.	$300 per month.	NO	NO	Yes, provides for cancellation of federal loans for service in selected reserve or IRR.	10 years after last discharge or release from active duty.	Veterans Administration

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	ELIGIBILITY	TUITION	STIPEND	SUPPLEMENTAL STIPEND	TRANSFERABILITY	RESERVES	DELIMITING	FUNDING
S-417 U.S. Sen. Alan Cranston (D-CA)	After 3 years = 36 months assistance or 2 years active duty 4 years reserve commitment = 36 months assistance. Benefits would be suspended if failure to meet commitment.	NO	$250 per month. Max $9,000.	After 4 years, with 4 years reserve commitment, add $375 per month. Can be accelerated to $500 a month for a total of $750 per month basic and supplemental or six years active duty.	Yes, after 10 years active duty to dependents based on the discretion of the Secretary of Defense.	Yes, see eligibility and supplemental stipend.	10 years from last discharge or release from active duty.	Veterans Administration for basic assistance. DOD for supplemental stipend. In event of transfer DOD funded.
H.R. 1400 U.S. Rep. G. V. Montgomery (D-MS)	After 3 years = 36 months assistance or 2 years active duty plus 4 years National Guard or Selected Reserve. Max 36 months assistance.	NO	$250 per month.	$300 per month after 6 years active duty plus 8 years in Selected Reserve or National Guard.	Yes, between 8 and 12 at discretion of Secretary of Defense.	Yes, see eligibility and supplemental stipend also extends for 2 years the authority to pay Federal Student loans in exchange for service in the reserves.	?	Veterans Administration would pay administration costs and basic assistance of $250 per month. Supplemental stipend would be funded by DOD.

Prepared by the National Security and Foreign Relations Division of the American Legion

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PREPARED STATEMENT OF ROSEMARY LOCKE, PRESIDENT, NATIONAL MILITARY WIVES ASSOCIATION, INC.

National Military Wives Association, Inc.

Mr. Chairman, distinguished members of the committee,

I am Rosemary Locke, president of the National Military Wives Association. I have had the pleasure of attending both of your veterans' educational assistance hearings last week and I appreciate the complexity of the subject. If the legislation is designed to recruit and retain a career military force, then the National Military Wives Association believes that some form of transferability to spouses and children is essential.

While it is usually true that the military recruits a single person, the majority of members who reenlist or remain are married. Of the total force including recruits, 50% in the Navy are married; in the Army 55.5% and in the Air Force 66.6%. Both Air Force and Navy studies show that spousal support of the military career played a significant role in the servicemember's decision to remain in uniform. "Married Navy members achieved promotion more rapidly" the study concluded, and "the family thus seems to contribute to, instead of detract from, a Navy member's performance." The study recommended that career counselors meet with both the Navy member and his spouse to discuss advancement possibilities and benefits a Navy career offers several months before reenlistment decisions must be made.

I think that we can safely say that the decision to remain in service is a family decision and commitment, too. But what about today's service family? Since 1972 inflation and pay caps have caused active duty pay to fall behind civilian wages by 20%. Even last year's pay raise of 11.7% allowed the military family to barely keep up with that year's inflation. Certainly the military community is appreciative of the improvements which came from the Nunn-Warner and Fair Benefits legislation. Still, many of our families are struggling just to meet daily living expenses.

Military mobility compounds family financial problems. Each year military families spend over one billion dollars out of their own pockets for authorized moves. This can cost a family of four at least $1400 for a cross-country move and they will be asked to move on the average of every two-and-a-half years. Over a 20 or 30 year career the amount is staggering.

To help suppliment the family's income, more military wives are working outside of the home. But here again, the military family comes up short. DOD figures show that military wives consistently earn less than their civilian counterparts and their unemployment rates are double. Because of their husband's military status, they are considered transient workers which usually precludes them from normal advancement. Some Coast Guard wives found that it was easier to obtain employment if they said their husbands worked for the Department of Transportation rather than the Coast Guard. The wife who wishes to continue her education is often faced with paying expensive out-of-state tuition, or if she becomes a resident of the state to which her husband is assigned, must wait the appropriate amount of time to meet residency requirements. This usually does not permit her enough time to complete a degree before her husband is reassigned.

Children may pay the highest toll in this mobility. Not only must they leave behind the familiarity of home and friends but they must conform to teaching methods which may vary dramatically from state to state. In an Air Force study only about one-half of married couples see the Air Force as a "good environment" for raising children. The percentage was even less favorable for those stationed overseas.

Still, military families try to make a home wherever they are assigned, quickly becoming involved in community activities. Younger couples, especially, want to share in the responsibilities of parenting. This is particularly difficult during long periods of separation. With the return of the servicemember, stressful situations may occur when authority and responsibilities are again divided among family members. At a recent symposium the

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role of the Army family was explored by wives from bases within the United States as well as overseas. This impact statement might just as easily have been made by many wives from the other services:"There is a perception by many that we are powerless to make decisions regarding significant life events that impact directly on us when our spouse is in the Army."

Possibly it is just because of these difficulties that military people are so family oriented, as noted by Senator Warner last Thursday. They have a strong desire to provide a good education for their children and despite moves work tirelessly with teachers and schools to help their children excell. However, many families have been discouraged to find that despite the high Scholastic Aptitude Tests scores received by their youngsters, few scholarships are available to them. Yet, classmates with similar scores are eligible for scholarships because their parents are employed by companies offering scholarships to employees' dependent children.

What is that military parent to do when faced with the painful decision of remaining in military service--which may allow him little opportunity to assist in his children's college education--or leaving for a higher paying civilian job which will enable him to provide a better life for his family?

Many are making that painful decision. They are leaving, possibly turning down key career developing assignments because of family considerations. It is difficult to disagree with their decision, however, it does have a demoralizing affect on the remaining military community to see these mid-level leaders leaving in order to take care of family obligations.

For those families who remain in service, providing a college education for their children can be extremely difficult. Again, mobility and financial considerations compound the situation. Either the student must move with parents from location to location attending local colleges or return to the home state of residence in order to take advantage of state universities. These students are often unable to return "home" during Christmas and summer breaks due to expensive travel costs.

A transferability provision in the educational assistance legislation would provide the career military member and his family options. It would say to the member, you have earned this benefit and you may use it as you choose. It would be a positive statement to the military family that their contributions to the nation are acknowledged and appreciated. It could enable the member to remain serving his country and yet meet a most important responsibility to his family--the education of his children.

The National Military Wives Association favors transferability to all dependents, spouses and children. We are opposed to a transferability limited to just those dependents of servicemembers with critical skills. That would reduce the morale of a military community because it would be perceived that some dependents would be receiving preferential benefits.

We also favor transferability at the 10 year point. The 8 to 10 year point is a critical period in the family's decision to remain or leave the service, a time in which the realities of military life are most evident: imposed mobility, frequent separations, and comparatively low pay. Transferability at that point would be immediately attainable. A wife might complete her education, increase her earning capability, and thereby improve the family's circumstances. The servicemember would have already served at least two-and-a-half years for each school year earned.

Finally, if the legislation is aimed at retention of careerist, the benefit must be truely available to him. All too often, benefits such as 30 days leave,free medical care and space available travel are advertized, yet the careerist is not able to take full advantage of them. Transferability would make this legislation a reality, not an empty enticement.

I would very much like to commend this committee on its willingness to hold hearings in the military community. It affords servicemembers a rare opportunity to express their views on legislation which is of vital importance to them. I also wish to express the gratitude of the National Military Wives Association for providing us the opportunity to express our views on this very important legislation.

PREPARED STATEMENT OF MAX J. BEILKE, LEGISLATIVE COUNSEL, THE NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

Mr. Chairman, and members of the subcommittee, I welcome the opportunity to present the views of the National Association for Uniformed Services to this distinguished panel.

The National Association for Uniformed Services (NAUS) is unique in that our membership represents all ranks of career and non-career service personnel and their wives and widows. Our membership includes active, retired, and reserve personnel of all seven uniformed services: Army, Navy, Air Force, Marines, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. With such membership, we are able to draw information from a broad base for our legislative activities.

The attention and interest this subcommittee is showing relative to the revival of free education benefits for veterans demonstrates its responsiveness to the needs and desires of our young people who serve in defense of our country. Incidentally, I urge you to include the Coast Guard, National Guard and Reserves at all times when conducting hearings on veterans' educational programs.

Any veterans' educational assistance program should have as a primary object, readjustment of the veteran upon leaving the military service. It's immaterial whether the veteran leaves the military after 3, 13 or 23 years of honorable service, because two factors remain unchanged; the individual is a veteran, and the need for readjustment is present. The degree of readjustment may vary, but the need for it still exists.

Some do not need readjustment; other do. What is the value of additional education benefits to highly skilled military people who can transfer their skills, which are in demand, to the civilian market? It does not mean as much as it does to the lesser skilled individual who needs education to become employable. How many nuclear experts, which are in short supply in the Navy will use their education benefits or will even need them. Now consider the clerk typist, infantry soldier, or truck driver. To each one education is of more importance because it increases his or her employability and earnings.

The value to the services of educational benefits is in their inducement of people to volunteer. Increased enlistments is an added quantity in such a program, but not its primary purpose. Another value is their contribution to retention, but retention should not be the overriding reason for establishing an educational assistance program. In short, the added benefits this program would give to enlistment and retention are valuable secondary objectives, and not primary ones.

The number of proposals that are now before this Congress are too numerous and varied to comment on at this time. Everyone seems intent on structuring a new veterans' educational program. Yet, and I'm being overly simplistic, if four basic changes were made in the current Chapter 34 of Title 38, USC, we would have a workable and understandable educational program, administered by an already experienced agency on the application of its provisions.

The four basic changes referred to are:

1. Remove the delimiting date.
2. Remove the requirement that individual must have entered the service before January 1, 1977.
3. Replace the 180 day service requirement with 730 days.
4. Replace the maximum 45 month entitlement with 36 months.

Chapter 34 of Title 38 USC contains the basic format for a very fine veterans' educational assistance program. If Congress makes but a few modifications to that program, it will have established a workable GI education bill. Modifying Chapter 34 will take less time than sifting through all the bills that have been introduced trying to establish a new program. Historically we know the GI Bill established by Chapter 34 is workable. Some of the provisions of recently proposed GI bills leave doubt as to their workability. The Chapter 34, Veterans' Educational Assistance, has performance, usage, and cost records. We have only speculation and assumptions relative to these factors as they concern new proposals.

Proposed continuation of Chapter 34 will automatically bring some criticism for giving so-called wartime benefits to peacetime veterans.

We have heard enough rhetoric about peacetime veteran and wartime veteran. It is time to end opposition of education benefits for peacetime veterans simply because wartime veterans were given similar benefits years ago. Many wartime veterans faced no greater hazards than peacetime veterans. Can we classify those who participated in the Iranian hostage rescue attempt or the Marines held hostage as only peacetime veterans? Who here wants to tell the survivors of those who died at Desert I that their loved ones deserve less from their government than wartime veterans?

Statistics from the Veterans Administration indicate that 1/3 of those in the military during the Vietnam conflict actually served in vietnam. Therefore, two of every three Vietnam veterans could be classified as peacetime veterans.

When it comes to a GI education bill, it is time to end this squabbling. For educational benefits, let's treat all veterans the same.

Much has been made concerning the value of educational benefits on the recruiting effort.

"The main reason soldiers join the Army is to secure veterans' educational benefits, according to an Army survey of first-term troops." This quote from Army Times, March 12, 1979 from a February 1977 survey conducted by the Military Personnel center.

Earlier, The Defense Manpower Commission (DMC) in its April, 1976 report entitled, "Defense Manpower: The Keystone of National Security," pointed out that educational opportunities for military personnel have been identified by surveys as major attractions for quality accessions. Most important are post-high school programs which include certificate level vocational and technical programs and degree programs from associate to graduate levels.

The GI Bill has been given credit for the relative recruiting success in the active forces during the late stages of 1976.

Likewise, the retention value has also been discussed at some length.

On March 12, 1981, the Congressional Budget Office (CBO) testifying before the National Security and Veterans Task Force of the Committee on the Budget, U.S. House of Representatives stated "CBO estimates that these pay increases, if maintained in future years by granting pay raises that keep pace with those in the private sector, will increase numbers of careerists. (Careerists are defined as those personnel with more than four years of military service.) Total numbers of enlisted careerists should rise from about 745,000 at the end of fiscal year 1980 to about 866,000 by the end of 1986. Given these increases, by the end of 1982 every service--except the Navy--would meet the career objectives it established last year. The Navy would meet its objectives by 1984."

"The recruiting figures, with its sharp increase prior to the termination of the old GI Bill do not necessarily support retention. Here the GI Bill clearly supports our recruiting effort, not the retention effort."

On March 17, 1981 the Subcommittee on Manpower and Personnel, Committee on Armed Services, U.S. Senate held hearings on military compensation. The subject of education did not come up until it was introduced by Senator Cohen. It appears that if educational benefits were of such importance to retention, they would not have been overshadowed by military pay, variable housing allowances, and change of station reimbursements.

Pay increases will serve better as a retention incentive than will education. Most experts who study the problem seem to agree that retention suffers more from low service pay than does recruitment. The opposite seems to be true of educational benefits. Therefore, it seems feasible to have education as a recruitment device, and then increase pay for those with 4 or more years service to retain them.

Everyone wants to make the service career attractive and all seem genuinely concerned about it. Have we, however, forgotten two of the most important factors that attract anyone to any career. These factors are job satisfaction and retirement benefits. I submit to you, if you want to keep NCO's in the service, give them back their authority, responsibility and show them proper respect. This will go a long way toward job satisfaction. Next, in addition to providing adequate pay, quit tampering or threatening to tamper with their retirement benefits.

The proposal to make educational benefits transferable gives some cause for concern. We in NAUS wonder if it has been thoroughly evaluated.

If transferability were enacted today, how would it help the NCO with 13 or 16 years service? Will past years be counted toward the years required to establish transferability? If not, will another 8 to 12 years service be required? If so, I doubt many will stay a number of years beyond 20 simply to establish transferability.

What about transfer of benefits for those without a spouse or children? Are we going to establish an "insured interest" category like we did for the Survivor Benefit Plan?

In the two military person family, will both husband and wife be able to transfer their eligibility, totaling 72 months, to one child?

How will a divorce court look at transferability? Can a judge in a divorce court legally order the veteran to transfer this benefit?

How will IRS view transferability? Will they consider it a gift or inheritance and tax it as such?

The criteria for selection of those permitted to transfer benefits should be spelled out more clearly. Recently Maj/Gen Thurman, Commanding General of the U.S. Army Recruiting Command, suggested that Congress should give a "benefits edge" to Army personnel. The purpose would be to give Army recruiters assistance in meeting enlistment quotas. NAUS believes problems would arise if identical transferability were denied Navy, Air Force, Marine Corps, or Coast Guard members who serve in the same job categories as their Army counterparts.

HR 1400 proposes transferability at some point between 8 and 12 years service for those with critical skills. What about the individual who serves seven years in a critical skill, only to be transferred or have the skill declarednon-critical prior to completing eight years? What about the individual who doesn't serve in a critical skill until after 12 years service?

Under the current program, considerably less than 100% of eligible veterans use entitlement, and those that do, at less than 100% of maximum entitlement. Transferability would probably move both close to 100% at a great cost.

If a veteran were allowed to transfer education entitlements, why not other entitlements?

Is the basic purpose of HR 1400 to educate the veteran or his dependents? Thirty-six months of eligibility could come close to enabling three people to get associate degrees. Is this the intent of Congress?

These are some of the reservations NAUS has on the transferability provision. We would need satisfactory answers to these questions before we can support transfer of education entitlements. However, transferability of a contributory program could be supported readily.

NAUS also supports an inservice educational leave of absence benefit program patterned after the old "bootstrap" program.

The U.S. News and World Report recently reported that ROTC tripled in 1980, and increased by 10 percent total enrollment to almost 70,000. As tuition cost increase, ROTC becomes a better deal. IN ROTC, it's four years of college, then four years of active duty.

Veterans'educational programs turn this around -- service, then education. ROTC is attractive from the standpoint that service in return for education is performed as a junior officer, not as a junior enlisted person. Pay and benefits are considerably different.

The current shortage of NCO's and CPO's cannot be solved by an education program or a draft. If the services are short such personnel today, they will still be short tomorrow because we cannot fill those vacancies overnight. The vacancies can be filled only by those now moving up through the ranks, or by enticing those who got out to come back in. Can they be enticed to return by a new GI bill? They believe the "rug was pulled out from under them" once, will they take another chance?

NAUS believes the need for some form of a GI Educational Assistance program is clearly evident. The recent increase in interest, while years late, is welcomed by all those concerned about this nations defense, and in particular by those interested in the manpower aspect. The attention given educational assistance today should have been given years ago. However, today we are not testifying to assign blame to this footdragging, but to end it and help obtain legislation for educational assistance as soon as possible.

Educational assistance is a veteran's benefit and Congress should look at it in that light. If auxiliary benefits such as a better educated population, increased individual earnings, increased tax revenues, and increased enlistment and retention in the Armed Forces, then let it so be. Let's not lose sight of the fact that this committee and the rest of us here today are charged with the welfare of this nation's veterans.

Before I close, allow me to quote VA Administrator Max Cleland as reported in the U.S. News & World Report of June 16, 1980:

"Unfortunately, four wars in this century have given the VA plenty to do for the rest of the century. Barring any more wars, I still see a major increase in the need for health care for aging veterans and for burial sites for former servicemen. I also see a growing need for a peacetime GI Bill, not only to better serve our veterans but to offer more of an inducement for future volunteers for the armed forces."

I am prepared at this time to answer any questions you may have.

PREPARED STATEMENT OF DONALD L. HARLOW, EXECUTIVE DIRECTOR, AIR FORCE SERGEANTS ASSOCIATION

Mr. Chairman, distinguished members of the committee;

I am Donald L. Harlow, Executive Director for the Air Force Sergeants Association, representing 156,000 enlisted men and women and their dependents.

I appreciate the opportunity of coming before this distinguished committee to state our concern on an important program designed to obtain, sustain and retain those highly qualified men and women essential to the mission effectiveness to our United States Air Force.

Having been provided with sufficient information on the Veterans' Educational Assistance Program (VEAP), and its lack of acceptance by members of the Armed Services, I will forego any further comment on that program.

As you so eloquently stated in your opening remarks at the hearing on Saint Patrick's Day, the purpose of these hearings is to come up with a type of educational program that will provide a readjustment for veterans upon their separation from the Armed Forces; enhance recruitment of those manpower resources essential to our all-volunteer services, but to also retain those key personnel in critical specialities.

The provisions of the legislation introduced by the Honorable G. V. "Sonny" Montgomery goes even further in providing an opportunity for those who would leave the Armed Services after their first enlistment, to serve in other components of the Total Forces, the Reserves.

While all the various pieces of legislation are designed to fulfill the requirements associated with the acquisition and retention of men and women for our military services, and each of the bills include some new and somewhat unique features, we do have questions pertaining to the philosophy of the Congress in relation to the priorities established in the field of education.

Unquestionably, there will be much anguish by members of the Congress over the cost to the American taxpayers on any educational bill that will eventually - hopefully - be approved by the Congress in reaching its objectives in support of our Armed Services. Yet, our association has been concerned over the billions of dollars made available to young men and women of America who have obtained guaranteed loans and/or grants to attend colleges and universities, many of whom have never repaid such government loans.

Many of these young people come from middle-class families having earnings up to $26,000 in addition to other assets, yet these same young people have no obligation to serve this nation in any way whatsoever. The question in our minds is just where is the priority being placed in relation to our National requirements?

It has been reported that some 2 million students, or one out of every five, now get such loans under a program liberalized in 1978.

Whatever legislation is finally approved to fulfill the essential requirements associated with the build-up of our Total Force, it is questionable as to any Educational Assistance Act being effective, as long as the open end guaranteed loan and grant programs remain in existence, to the extent now available.

We are aware of President Reagan's proposal to reduce expenditures in the guaranteed loan/grant program, but until the Congress properly aligns such educational benefits with service to our nation, monies allocated to any military educational incentive bill, we fear, will do little to reach our objectives.

Mr. Chairman, there is no question as to the desirability of a good, cost-effective, educational program to enhance the attractiveness of young men and women to serve in our defense forces. Whatever program is finally approved must fulfill all the requirements outlined in your opening statement and to further enhance service in our reserve forces for those who do not, or who cannot, by virtue of manpower ceilings, continue to serve beyond their initial enlistment.

This concludes my statement and again I thank you for this opportunity. I now stand ready to respond to any questions you or your distinguished colleagues may wish to pose.

PREPARED STATEMENT OF THOMAS BONNER, PRESIDENT, WAYNE STATE UNIVERSIT DETROIT, MICH.

Good morning Mr. Chairman and Members of the Committee. I am Dr. Thomas Bonner, President of Wayne State University in Detroit, Michigan. I am accompanied today by Dr. Robert Gluckstern, Chancellor of the University of Maryland at College Park and Chairman of the National Association of State Universities and Land Grant Colleges' committee on Veterans Affairs. NASULGC is composed of 140 institutions enrolling more than 30% of all students in higher education. Along with Michigan State and The University of Michigan, Wayne State is one of the three largest educational institutions in Michigan. We have the state's largest medical school (which, in turn is a part of the nation's largest primary health care center), one of America's largest university law libraries, and one of the largest computer centers anywhere. We have more than 5,000 class offerings, and over 600 degrees being offered in nine different colleges and schools.

The reinstatement of a GI Bill has both professional and personal appeal to me. As President of an urban university with more than 33,000 students I am interested in any legislation that will enhance the ability of our youth to pursue higher education. On the personal side, I am one of those who otherwise would not have been able to afford to continue their education. The World War II GI Bill made possible my education at the University of Rochester and at Northwestern University.

The Armed Services are increasingly becoming more and more dependent on highly trained technicians and specialists to be effective and operational. Many of the new recruits have a great deal of difficultly in mastering the fundamental skills needed to become competent technicians. Additionally many highly trained servicemembers are leaving the Armed Services either for better paying jobs in the private sector or for the more attractive opportunities for advancement offered by the private sector. A reasonable solution to these problems is a new GI Bill containing incentives that will attract and hold better qualified men and women. Historically, education benefits are the best incentives for these purposes.

We understand that the GI Bill before this committee is designed to confront both the problems of recruitment and retention. Therefore, I will first address the issue of the use of education benefits for recruitment purposes and then the issue of the use of education benefits for retention purposes. Finally, I would like to address the issue of the GI Bill as student financial aid.

For education benefits to be a realistic inducement to enlist, they must be meaningful and have a relatively short vestment period. Any vestment period that extends beyond three years would lose its attractiveness to potential recruits. While H.R. 1400 has a vestment period of three years, it only offers a stipend of $250 per month for up to 36 months. The only schools that would make financial sense for the recruit to attend would be community colleges. Under H.R. 1400 a recruit would have to devote 6 years of his or her life to the Armed Services before he or she would be entitled to somewhat more meaningful education benefits of $550 per month. The benefits must be both at a meaningful level and be attainable within a reasonable period of time to be a real incentive for the individual headed toward a four year college program to enlist in the Armed Services.

It is our understanding that one objective of the GI Bill is to provide incentives to the population headed toward a four year college program. Consequently, in structuring the education benefits the committee may wish to consider the cost of a college education today. While a generous stipend is attractive, monthly payments are not timely for meeting one of the college student's major expenses: tuition. We suggest that the committee consider structuring the education benefits to include a tuition component. Wayne's annual tuition rates are between $1400 and $1500 for undergraduates and graduate and higher for graduate and professional students. A "percentage of tuition" formula has been proposed in another bill, however, such a formula will tend to penalize students who wish to attend public colleges and universities because they will not be able to enjoy the maximum benefits to which they are entitled. Benefits that include a both a tuition component and a monthly stipend should prove to be attractive incentives for enlistment to individuals considering four year education programs.

In structuring education benefits the committee should also take into consideration the fact that many veterans have family responsibilities at the time that they are able to take advantage of their education benefits. Consequently, many are forced to look for nontraditional approaches to college education which will allow them to pursue full-time employment. This situation raises two issues that the committee should confront in any GI legislation. First, the issue that many cannot complete a bachelor degree program in 36 months and second, the issue of seat time.

It is becoming increasingly common that individuals do not complete bachelor degree programs in 36 months. Many individuals lose credits when they transfer schools. Others find that their programs such as architecture take longer than 36 months to complete. Finally, individuals who are forced to pursue their education on a part-time basis will inevitably take longer than 36 months to complete their programs. We recommend that the committee include in the legislation a mechinism whereby the individual can earn up to 48 months worth of education benefits. We also recommend that students who pursue their education part-time should be entitled to utilize the maximum benefits available to them over the length of their education program.

The seat-time problem has had a significant impact at Wayne State University. Our weekend college program was inaugurated several years ago. It was welcomed as a good piece of academic planning, neatly packaged to fit the needs of adult workers in metropolitan Detroit. Since the program was initiated shortly after the end of the Viet Nam War, it won immediate favor with returning GIs who quickly spotted the advantages of the innovative curriculum. Instead of classes during the traditional day and early evening hours, the Weekend college offered an all new approach to education specifically planned around the working and domestic responsibilities of the returning veterans.

The program, offered each standard academic quarter, consisted of three integrated and related unit-subjects of four credit-hours each. The three-part format included weekly classroom workshops (four hours long), five televised lectures each week, and two two-day weekend conferences--along with regular reading and writing assignments throughout the quarter. In all, a sound academic program measuring up to all standards of the North Central Association of Colleges and Schools and of Michigan's department of education, and to those of the Veteran's Administration for eligibility for GI benefits.

This new approach to higher education ran into a gigantic snag in 1976, when the V.A. suddenly amended its regulations to require 12 class-hours of "contact-time" each and every week of the academic term in order for the veteran to receive full benefits. It was a devastating blow to the veterans because it meant, in effect, that since the curriculum was concentrated in fewer sessions of longer duration, those on the GI Bill, though still able to contine in the program, received 30 percent less in benifits. Eligibility for full benefits depended not on the total number of class-hours in the term but on the number of hours offered and the "seat time" spent in class each week. The university, faced with what it felt to be a serious attack on its academic jurisdiction, challenged the V.A. ruling in court.

Since taking this action it has become clear that the V.A. will respond most readily to direction from the Congress. Consequently, we recommend that language be included in the legislation that will allow the accredited institution to determine the amount of credit students should receive for educational programs they follow. The granting agency should not make that determination. The V.A. should not be allowed to impose arbitrary and capricious standards on accredited institutions which have followed their own rigorous internal approval procedures before establishing their programs. The imposition of arbitrary and capricious standards only distorts the education process and does not enhance the V.A.'s ability to evaluate programs for the purpose of paying veterans their education benefits. To avoid the development of these types of arbitrary standards, the V.A. should be at least encouraged if not mandated, to develop regulations in cooperation with the Department of Education and the higher education community.

If there is discomfort by federal agencies in vesting responsibility for determining the status of students with institutions of higher education, a system of appointing qualified mediators would be far preferable than the existing unilateral and capricious procedures of these agencies. Impartial panels could be selected by such prestigious national agencies as the Department of Education or the American Council on Education.

One final point on the issue of education benefits for recruitment purposes: any stipend provided should allow a differential for those veterans with family obligations.

Retention problems as they relate to education occur for two reasons. Either the servicemembers want to further their own education and feel that it cannot be done while on active duty or the servicemembers feel that they cannot provide adequately for their children's college education on a military salary. A leave of absence might satisfy these individuals who want to further their own education. The leave of absence program in S.25 might work very well. It allows servicemembers to draw Basic Allowance for Subsistence and Basic Allowance for Quarters, if eligible for them. The contributory program of S.25 would also work well with a leave of absence program.

The transferability of education benefits to dependents provisions in H.R.1400 goes towards solving the problems of those individuals who want to put money away for their children's college educations. The one major drawback of H.R. 1400's transferability is that it lacks certainty. Since transferability is dependent on being in a critical skills position, servicemembers have no guarantees that the skill they are being trained for will be "critical" when they want to transfer their education benefits to their dependents. We recommend that language be added which would ensure that once an individual is trained for a critical skills position he or she will be allowed to transfer the education benefits as long as they meet the other requirements of transferability.

S.25 and H.R. 1400 both require the servicemember to serve a specified period of time before the benefits can be transferred. S.25 requires contributions by the service member, H.R. 1400 does not. There is a cost factor involved in choosing between these two approaches. It is hard to predict the costs of each proposal, however, because of the difficulty in anticipating usage. The contribution approach may be less costly than the "free" transfer, but there seems to be sufficient restrictions on the H.R. 1400 transfer to dispute this contention. The "free" transfer is a greater incentive to stay in the Armed Services than the contributory approach. Today's economic situation, however, might dictate that the contributory approach be followed rather than an albeit restricted entitlement.

Finally, I would like to address an issue of great concern to me that has been raised by the introduction of GI Bill proposals in a time of tremendous budgeting cutting. The education benefits of the GI Bill should be in addition to and not instead of other student financial aid programs. The benefits offered by any of the proposals being considered by this or the other body would be meaningless without the availability of other student financial aid. Should the GI Bill become the sole "student financial aid" program this country would in fact have a compulsory military service for anyone interested in going to college who is not independently wealthy. Such a situation would be inequitable and would inhibit the development of the fine minds of this country.

Thank you again for affording me the opportunity to appear before your committee. I would be happy to answer any questions that you may have.

PREPARED STATEMENT OF MARY ANN KIRK, EXECUTIVE DIRECTOR, CENTER FOR CITIZENSHIP EDUCATION

Thank you, Mr. Chairman and members of the Committee, for this opportunity to testify on H. R. 1400.

My name is Mary Ann Kirk. I am Executive Director of the Center for Citizenship Education. The Center for Citizenship Education is a private, not-for-profit corporation registered in the District of Columbia. It was formed to answer a growing need and concern for a reconcentrated effort to strengthen our schools and institutions to educate for responsible citizenship in the context of a contemporary America. The heart of our organization is the deep belief that all citizens must have access to positive, self-fulfilling citizenship experiences through education, participation and service opportunities. It is through these gifts of democracy, we believe, that individual fulfillemnt is realized and the destiny of a great country is advanced.

The Armed Services has attempted to meet its manpower needs by offering itself as a competitive employer in a national job market system. The idea has been that the Armed Services will offer jobs that will appeal to job seekers in terms of self interest. Predictably that idea will fail. It has failed. The proposed pay increases and additional benefits, including the education benefits offered by H. R. 1400, justified as they are, will also fail. Self-interest alone is not sufficient basis for military service. Inherently, that service offers the possibility of hardship and danger for which money cannot alone be an adequate reward.

Military Service should be presented as a special way of accepting citizenship responsibility within a nation-wide moral climate that describes such responsibility as everyone's duty.

The nation is ready for that sort of moral change. Every Gallup and Harris Poll indicates great public interest in citizen involvement. More and more, Americans are recognizing that we must elevate social values over immediate self interest. We must see life in terms of responsible relationships.

The Center for Citizenship Education is dedicated to the proposition that citizenship values must be taught and must be lived. Those values must be expressed in service opportunities for all of us, in shcool and out, in every community in our land.

Therefore, the Center for Citizenship Education endorses the concept expressed in the amendments to H. R. 1400 proposed by Harry J. Hogan, retired attorney, now actively serving many non-profit organizations, including the Center for Citizenship Education.

The proposed Amendment to Section 1401 would describe the purpose of H. R. 1400 to be that of giving recognition to members of the Armed Services for their acceptance of military service as an expression of citizenship responsibility. It lifts military service beyond the temporary job status.

The Amendment adding Section 1458 describes voluntary community service as an alternative mode for acceptance of citizenship responsibility. It performs the socially necessary function of relating military service to community service opportunities throughout the rest of our society. It pulls us all together. In doing so it relates our community service everywhere in the nation to military service responsibility accepted by those of among us in Armed Services.

The reward in education benefits to an individual for community service is 50 percent of that given for military service. The difference is justifiable, in our view, because of the immediate need for personnel in the Armed Services and because of the greater flexibility in individual access to the community service option.

The Amendment gives to ACTION the responsibility for certification that any given community service program meets a qualifying service standard. The objective standard is that set for programs under Title I of the Domestic Volunteer Service Act. Those programs include VISTA, the University Year In Action, and other special purpose programs. Decisions on allocations on appropriated funds will be made by the Armed Services. The necessity of making those decisions will open up a direct discourse between the Armed Services and the higher education institutions. The allocation decision will give shape and direction to the necessary public dialog on national purpose. That dialog is presently distorted by the emotional heritage of the 60's. The inclusion of community associations as program participants will orient the decision making to the social needs of the 80's, i.e. the shape of citizenship through service opportunities to meet today's needs.

The Center for Citizenship of Education stands ready to assist in the development of community service opportunities under this program. We are confident of our ability and those of others in the volunteer sector and in the educational community to meet the nation's needs.

AMENDMENTS TO HR1400

1. Amend Section 1401 by adding a subparagraph as follows: "(4) to give recognition to members of the Armed Services for their acceptance of military service as an expression of citizenship responsibility."

2. Add Section 1458 as follows:

"Section 1458. Educational Assistance for Community Service

a. Each individual who has completed one year of service in a qualified volunteer community service program shall be eligible for basic education assistance under Title I. That eligibility is offered in recognition of the acceptance of such service as an alternative epxression of citizenship responsibility. The rate of assistance for full-time service shall be one-half the rate of assistance set for military service and the rate for part-time service shall be proportionately less. A community service program may be sponsored by colleges or universities jointly or separately, in arrangements with community associations, as part of or independently of Federal, state or local government programs. The community service program shall qualify annually for participation by obtaining the certification by ACTION that such program meets the objectives of Title I of the Domestic Volunteer Services Act.

b. The total of individual entitlements for benefits shall be limited to $50 millions per annum. Allocation of proportions of that amount among programs shall be as determined by the Armed Services."

PREPARED STATEMENT OF WADE WILSON, PRESIDENT, CHEYNEY STATE COLLEGE, PA., ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

The American Association of State Colleges and Universities is deeply interested in H. R. 1400 and other comparable legislation. Our colleges have educated hundreds of thousands of veterans after the past three wars. We are also working close with other higher education groups and with the armed services, administering the Servicemembers Opportunity College (SOC), which provides college opportunities to servicemen and women all over the world.

We will comment today briefly on H. R. 1400, with some remarks also about Sen. Armstrong's S. 25 and Sen. Cranston's S. 417.

I. Veterans Benefits

We generally approve of the approach of H. R. 1400, providing $250 a month in basic benefits and an additional $300 a month in supplemental benefits for longer periods of service. We have doubts about whether these benefit levels are adequate to provide for the costs of college today, however. We also feel that the lack of dependency allowances will discourage many servicemen from enlisting.

We do not share Sen. Armstrong's belief, in testimony before this Subcommittee on March 17, that paying 80 per cent of tuition up to a maximum of $2500, in addition to a $250 subsistence allowance, is a desirable way to attract people to the military, or to help them attend private colleges.

It is based on the erroneous idea that paying lower benefits to the large majority of veterans likely to choose a public college anyway (about 80 per cent of all students now attend public colleges, more in most states) will "encourage" them to choose a far more expensive private college, where their additional costs will be much higher. This is simply a way of discouraging qualified people from enlisting, and does nothing to help private colleges. Nor, of course, do we believe public colleges are "low quality."

II. Educational Incentives for Military Service

Several very innovative ideas have been suggested in H. R. 1400 and S. 25, among other bills, to recruit and retain highly qualified people.

1. Pre-Service Education. The proposal to give people 36 months of college at $300 a month if they agree to serve in the military afterward is a boldly innovative suggestion, and deserves very careful review. We would like to know how many such enrollments are envisioned, and other details about this idea.

2. Transferability. Careful consideration should be given to ideas to make possible transfer of educational benefits to a spouse or dependent after 8-10 years of duty. (We do not believe this should be ended after 12 years, as proposed in H. R. 1400). We are not certain that this benefit should be limited to critical skills as defined by the Secretary, and we believe it should be open to those in service now, not simply to newcomers.

3. Educational leaves. We like Sen. Armstrong's idea of educational leaves of up to one year, followed by two years of duty, as a further way to retain and upgrade qualified personnel.

In general, we compliment the Committee on its work. We would like to work with you, and we urge that other educators as well as the military be consulted as this new legislation goes forward.

FULL STATEMENT

I am President Wade Wilson of Cheyney State College, Pennsylvania, a member of the Board of Directors of the American Association of State Colleges and Universities. Our organization, which includes 341 colleges and universities enrolling about 2.4 million students, has a very strong interest in both peacetime G. I. Bills and programs for additional educational incentives for the armed services.

We are deeply interested in these issues as educators who have served many millions of veterans after the past three wars, and because we operate a special program, the Servicemembers Opportunity College (SOC). SOC is a program which we operate in conjunction with the American Association of Community and Junior Colleges, many other higher educational associations, and the armed services. Its purpose is to provide high-quality off-duty education to members of the armed services, allowing them to work toward completion of college programs while on active service.

We will furnish the Subcommittee with additional information on the SOC program.

I would like to comment today on some broad areas of concern which we share with both others in higher education and with many spokesmen for the military, both about a possible new G. I. Bill and about educational incentives for the military. I will comment largely on H. R. 1400, the bill filed by the Chairman of this committee, Rep. G. V. Montgomery (MI), but I will also comment briefly on some points in S. 25, filed by Senator William Armstrong (CO) and S. 417, filed by Sen. Alan Cranston (CA).

At this moment our organization is not finally committed to any bill. We wish to consult further with our Committee on National Service and our Committee on Federal Relations, and to review all these proposals with specialists in veterans affairs and military affairs.

There are, however, some general principles which any such legislation will wish to take into consideration. I will address myself first to veterans benefits and secondly to issues of educational incentives for the military. What follows is a somewhat simplified analysis.

I. Veterans Benefits

H. R. 1400 provides two tiers of veterans' benefits, with a possible third tier under certain circumstances. In this, it is similar to many other bills.

1. A basic benefit of $250 a month is paid to any veteran who serves at least three years in the armed forces, or who serves two years plus four years in the selected reserve. There are exceptions for those who are disabled on duty or receive early discharges for hardship and some other reasons. The benefit is paid on the basis of one month benefits for one month of active duty, and one month for three months of reserve duty, with a maximum of 36 months.

2. A supplemental benefit of an additional $300 a month is paid to anyone completing six years of active duty or four years of active duty and eight years of reserve duty. In other words, such an individual would receive $550 a month in all.

3. There is a "third tier" of benefits for members with critical specialties or skills as defined by the Secretary of Defense. They may receive additional benefits at a level determined by the Secretary, in addition to whatever basic or supplemental benefits they may have.

4. Comment. The principal question raised by this approach is whether the proposed benefit levels are adequate. Today (1980-1981) the cost of the average public two-year college to which a student commutes, according to the College Scholarship Service, is about $2753 a year, including a tuition of about $464. The cost of a public four-year residential college or university is about $3409, including $706 tuition. Costs of private colleges are much higher--for example, $6082 including $3279 tuition at a residential four-year college. Proprietary schools now average about $2500 a year for tuition and books only.

Further, all college costs--tuition, room, and board--are rising at a rate of 10-12 per cent per year. Costs of public colleges in almost all the higher-tuition states in the Northeast and Middle West are considerably higher.

Indeed, an earlier study of Vietnam veteran participation in the G. I. Bill, made at the request of Congress, found that veterans were much less likely to attend college at all in high-public-tuition states like Pennsylvania, Massachusetts, and Michigan than in low-tuition states like California or Texas.

Not only are benefit levels low, especially for those with only the "basic" benefit, but there is no dependency allowance, as there was in all previous G. I. Bills. There is every reason to believe that most veterans in the years ahead, like most Vietnam and Korean veterans, will marry and have children soon after leaving the service, if not while on active duty. Low benefits combined with a lack of a dependency allowance will make this program that much less attractive, and may not bring in the large numbers of more qualified men and women which the services want to recruit.

5. A comment on "tuition sensitivity." Senator Armstrong, in testimony before this subcommittee on March 17, said that he favors not a flat grant approach--so many dollars a month for both subsistence and tuition--but a subsistence payment of $250 a month plus 80 per cent of tuition up to a maximum of $2500 a year, an approach "sensitive" to higher tuition, in his words.

He gave as a reason the following: "First, a tuition-sensitive G. I. bill will appeal to a higher-quality young man. The overwhelming preponderance of Vietnam-era G. I. Bill users attended community colleges, because that's all that makes sense under a stipend-only formula. We want to attract these young men and women into the armed forces, but we also want to attract the young man who wants to attend Stanford, or Notre Dame." (Emphasis added.)

We believe that these statistics are partly incorrect and in any case unjustified. It is our impression that a substantial proportion of all Vietnam-era veterans who attended college attended four-year colleges, including about twenty per cent who went to private colleges.

It is true that many attended community colleges. There were several reasons. One was that these colleges were less expensive and veterans benefits were very low until the last few years. Another was that many veterans were married and working, and wanted to attend a commuting college, often part-time. Another was that many wanted the technical and vocational courses offered at community colleges, or wanted to save money by taking the first two years at such colleges and then transferring to a four-year college. Last, we do not agree in any case, that only "low-quality" students attend community colleges or public four-year colleges.

The "80 per cent" figure presents a different problem. It is our understanding that originally Senator Armstrong planned to offer a flat maximum of $2500. He was persuaded that an 80 per cent figure would make private colleges "more attractive" to veterans, or rather public colleges less attractive. This is part of a long-standing controversy between some public and private college spokesmen about whether federal benefit levels, in student aid, G. I. payments, or tuition tax credits, should be held down at public colleges to try to encourage students to go to private colleges.

The argument here is as follows. If there is no 80 per cent formula, but simply a flat maximum of say $2500, a student at a public four-year college will receive about $700 at current rates and a student at a private college the full $2500. Both students will receive $250 a month for subsistence, so that both will be considerably short of the amount needed to attend college.

However, it is argued, if the payment is 80 per cent of tuition, the public college student will get $560 while the private student will still get $2500 (since practically all private colleges charge over $3000.) The argument is that if the public student learns he can "only" get $560 instead of $700, he will decide that he "might as well" go to the private college--where, to be sure, he will get $2500, but will need large additional sums to finance the total cost of his education. This is Alice-in-Wonderland logic, as we have pointed out many times to our private college colleagues.

What the 80 per cent figure does is simply penalize the great majority of veterans, giving them less money and making enlistment that much more attractive. It does nothing to make private colleges more attractive. Those veterans who wish to attend private colleges will still be able to get student aid under the Education Department programs--additional grants, work-study, and loans--assuming that these programs are continued, as we believe Congress will decide.

In conclusion, we hope that the Congress will support a peacetime G. I. Bill along the general lines proposed by H. R. 1400 and similar bills. We hope that benefits will be adequate to attract qualified people, and that dependency allowances will be provided. We do not believe that a benefit based on "80 per cent of tuition" or any percentage figure will do anything except discourage young people from enlisting at all.

II. Educational Incentives for Military Service

H. R. 1400 includes a number of very interesting proposals to encourage not only the enlistment but the retention of qualified people by the military. We would like to comment briefly on these, and also on a few other ideas suggested by Sen. Armstrong and others.

1. Pre-service Education. One of the most innovative suggestions in the bill is Subchapter V, which creates a new program of pre-service education, under which someone could enlist in the services and receive 36 months of education at $300 a month, provided that he or she agreed to serve afterward on active duty or in the reserve. The exact conditions of service would be worked out by the Secretary of Defense through regulations.

Such arrangements have long been used by ROTC programs and for some medical education programs, of course. As far as we know, they have never been seriously proposed for other types of service. We do not know whether the number of people who might be allowed to enlist in this way, and other details, have been fully worked out. It would be helpful to know whether the committee sees this as a relatively small-scale program, on a pilot basis, or something broader. It would be interesting to know whether enlistment might be limited to certain educational fields--say, engineering--or whether this is thought as open to students in any field.

We believe that such questions should be explored, and the reaction of the armed services sought, before such a program is adopted. However, it does have interesting possibilities.

2. Transferability. Subchapter IV of H. R. 1400 would allow a serviceman or woman to transfer educational benefits to a dependent (child or spouse) after "eight or more but less than twelve" years on active duty, provided that person has a skill or specialty in which the Secretary of Defense has determined there is a critical shortage of personnel.

Similar ideas are suggested in the bills filed by Sens. Armstrong and Cranston.

This approach appears to have considerable merit as a way to encourage career military to stay in service and provide for the education of their spouses or children. We have problems with the language "but less than twelve", and do not see why it would not be far preferable to set a minimum number of years--say eight to ten. Why should such a benefit be cut off after 12 years, the very time when a serviceman's children might be approaching college age?

We are also concerned about limiting this benefit to critical skills as defined by the Secretary. If the intent is to encourage many capable people to continue service beyond eight years and perhaps for 20 years, it would appear that everyone should be entitled to this benefit.

It should also be extended to those already in service, not limited to newcomers. Those already on duty for a certain number of years should have the same opportunities, along with the other educational benefits provided in this legislation.

3. Educational Leaves. One excellent idea which appears in Title II of the Armstrong bill, S. 25, calls for educational leaves of up to one year for servicemen to pursue educational objectives, provided they agree to serve for two years after the leave. It is our understanding that Sen. Armstrong intends that not more than two such leaves be made available to any individual. There would, of course, be regulations by the Secretary which would determine how many such individuals could go on leave at any time, and provide for cancellation of leaves in case of national emergency.

Such arrangements are extended to many officers now, as the Committee knows. Many are able to obtain advanced degrees, Master's and Doctor's, and are better equipped both for military duty and for their postservice careers. Extending this program more broadly appears another good way to retain and upgrade qualified men and women.

In conclusion, we believe that these bills include many good suggestions for educational incentives. We urge again that the details and possible ramifications of any proposals be carefully explored both with educators and with the armed services.

There are a number of minor and technical questions about H. R. 1400 which we will not try to deal with here, in detail. Here are some questions we would like to take up later with Committee staff:

1. Will this program be accompanied, as is now the case, by other educational programs which make it possible for servicemen to complete their high school diplomas equivalency certificates?

Many disadvantaged but high-potential people in the services will be cut off from college benefits unless they have the opportunity to complete high school.

2. Will this bill cover on-the-job training, like previous G. I. Bills? We believe that the military needs many qualified technicians as well as "generally intelligent" people, and the former group may be better served by some form of OJT or technical training than college.

3. What is meant by the phrase in Sec. 1411 (1) and elsewhere that the benefits are open to each individual who "is a graduate of a secondary school or has a high school equivalency certificate, as determined by the Administrator" (of the Veterans Administration)?

Under current law as we understand it, civilian educational agencies in each state administer the equivalency program. We trust there is no attempt to have the federal government impose its own conditions on this program, which serves hundreds of thousands of civilians and military personnel each year.

4. What is the meaning of Sec. 1452, which says that a veteran's benefits may be reduced to the cost of tuition and fees if he, while pursuing an educational program, is "being furnished subsistence, whether in whole or in part and in money or in kind, by an entity of the United States or of a state or local government."

We take this probably to mean that a person on active military duty, receiving subsistence, may not receive benefits worth more than tuition and fees, and possibly that a person who is incarcerated may not receive further aid, either. However, this phrase could be taken to mean that a veteran who received federal student aid or state student aid would also have his G. I. benefits reduced. Many veterans, having limited incomes, will probably be eligible for federal or state grants, work-study, and loans. We assume that Congress does not wish to penalize this group, and urge clarification of this point.

In conclusion, we appreciate this opportunity to testify, and wish to be helpful to the Committee in any way we can.

ADDENDUM

I. Participation of Vietnam-era veterans by type of institution

Pages 4-5 of the AASCU testimony presented to the Subcommittee on March 25 cites a study made in 1973 at the request of the House and Senate Committees on Veterans Affairs, dealing with participation by type of college and by in the Vietnam era G. I. Bill.

The study referred to is House Committee Print No. 81, House Committee on Veterans Affairs, September 19, 1973. This was made by the Educationl Testing Service for the Congress. Dr. John P. Mallan, now Vice President for Governmental Affairs at AASCU, served as a member of the Ad Hoc Advisory Council for the study.

The study found that the distribution of veterans at different types of institutions in the Vietnam era, using the year 1972-73, was not markedly different from that of the non-veteran population:

	Veteran College Students	All College Students
Four-year public	42%	48%
Two-year public	39%	29%
Private	19%	23%

Source: Op. Cit., p. 39.

In other words, it is not correct to say, as one United States Senator did in testimony to this Subcommittee on March 17, that "the overwhelming preponderance of Vietnam-era G. I. Bill users attended community colleges." Most attended four-year colleges, and many attended private four-year colleges. The slightly greater number of Vietnam era veterans at community colleges compared to all college students can be easily explained by the fact that most high school students who went directly to college were deferred from military service, and that this included a great many students who were more likely to be able to afford four-year colleges. Other factors also explain why some veterans chose community colleges, as is covered in the AASCU testimony. A growing proportion of all students, veterans and non-veterans alkie, have chosen public colleges, including community colleges, over the past twenty years, for many reasons.

II. Participation of Vietnam-era veterans by state.

The ETS study also found a remarkable difference in participation in the G. I. Bill by state. They were convinced that this was due largely to the very low level of G. I. benefits then paid, and the considerably higher tuition levels at public colleges in some states compared to other states. Generally, there was considerably lower participation in the Northeast and Middle West than in the South and West.

For example, in Pennsylvania, as of April, 1973, only 16.4 per cent of all veterans had ever used their benefits, while in California 37.0% had done so. There was and is a tremendous difference in public-college tuition charges between Pennsylvania and California. Pennsylvania that year ranked 46th among the 50 states in G. I. Bill usage while California ranked first.

Here are data for all the states represented on this subcommittee, with the names of the Congressmen:

Congressman	State	% G. I. Bill Use	Ranking in U. S.
Edgar	PA	16.4	46
Edwards	CA	30.7	1
Leath	TX	25.7	17
Boner	TN	20.4	30
Daschle	SD	28.7	10
Gramm	TX	25.7	17
Hechler	MA	19.8	33
Wylie	OH	16.8	45
Sawyer	MI	23.0	19
Jeffries	KS	26.2	14
Smith, D.	OR	30.0	5

Source: Op. cit., p. 40.

To AASCU, these statistics--and a similar pattern can be found for G. I. Bill usage for other years--indicate that adequate benefit levels should be provided in any new G. I. Bill--and also that states should make an effort to keep down their tuition levels at public colleges for both veterans and non-veterans. Otherwise, federal benefits are worth less--veterans from Pennsylvania or Massachusetts or Ohio simply do not have the same opportunities after discharge as those from other states.

aascu

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27 April 1981

The Honorable Robert W. Edgar
United States House of Representatives
Room 407
Cannon House Office Building
Washington, DC 20515

Dear Representative Edgar:

When President Wade Wilson of Cheyney State College testified before your subcommittee on March 25, you expressed an interest in the fact that relatively few Vietnam era veterans in Pennsylvania and many other states in the Northeast and Middle West used their education benefits, compared to veterans in the South and West.

Our testimony (Appendix A and B), especially the Addendum, pointed this out. In one year studied, Pennsylvania ranked 46th among the fifty states in the percentage of veterans who had ever used their educational benefits, while California, for example, ranked first. A study made by the Educational Testing Service stated that a principal reason for this is that the southern and western states generally charged much lower tuition, and that as a result a veteran in one of the high-tuition states simply did not have the same opportunity to attend college.

You asked for further information on this, as well as data on tuition at state colleges and land-grant universities in each state.

I did not previously have the chance to get the data you requested to you. I am supplying it in this letter and its appendices, and will be glad to discuss the matter further with you or your staff. For several years I directed a project to encourage more Vietnam-era veterans to use their benefits, and this is a subject in which I have a keen interest.

I believe the main conclusion to be drawn from this information is that a basic G. I. monthly benefit of $250, with no dependency allowance, as proposed in H. R. 1400, is simply too low. If veterans are to have a reasonable opportunity to attend college -- at the least, a four-year or two-year public college in their own state -- benefits should be considerably higher.

It is difficult to set an exact figure, but it would appear that a benefit of at least $450 a month is necessary to enable many veterans to attend college

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in the Northeast and Middle West, especially if we assume that this program will not begin for three or four fiscal years, and that costs will increase substantially with inflation as they have in the past.

I will try to summarize the principal points:

1. There is no question that veterans in most states which charge higher public-college tuition used their benefits to a substantially less degree than those in lower-tuition states. On this, please see Appendix C, which reproduces several pages from the 1973 Senate Committee Report Number 18, 1973, published by the Senate Committee on Veterans Affairs, pp. 37-39. Identical information appears in House Committee Print Number 81, 1973 (pp. 39-41).

2. Today, in most states, tuition as well as room and board (or off-campus living costs) are substantially higher, but in the same ratio. That is, generally costs at public colleges in the Northeast and Middle West (and a few other states) are considerably higher than costs in the South and Southwest.

For the current academic year (1980-81), the total cost of the average two-year public college to which the student commutes is estimated by the College Scholarship Service to be about $2753, including a tuition of $414. The cost of a four-year public residential college is about $3409, including $706 tuition. Costs of private colleges are much higher, of course — for example, $6082 including $3279 tuition at a residential four-year college. Proprietary schools now average about $2500 a year for tuition and books only.

More important, these are averages — considerably higher in most Northeast and Middle West states. Costs are rising each year — reports so far indicate that many public four-year colleges will raise tuition (and often room and board) by an additional 15 to 25 per cent in the fall of 1981, and probably a further percentage in years to come.

3. In a Febraury 12 press release (Appendix D), AASCU pointed out that about twenty-five states would be especially hard hit by proposed reductions for FY 81-82 in federal student aid. These were the states in which, in the current year, tuition for in-state undergraduates at least one state college or university was $800 or higher. A number of other states had tuition approaching $800 a year. At such institutions, total costs are often $3,000-$4,000. The level of veterans benefits, as well as student aid, is likely to determine whether many students can attend college at all.

4. Appendix E lists the tuition at the highest-charging state college and land-grant university in each state. (The distinctions between members of the American Association of State Colleges and Universities (AASCU) and that of the National Association of State Universities and Land-Grant Colleges (NASULGC) depends for the most part on the extent of graduate and professional programs offered.

5. Appendices F and G are the full surveys of student charges at AASCU and NASULGC members for 1980-81.

If there is further information we can make available, please let us know. We are very interested in seeing the revival of a G. I. Bill, as well as the other features related to recruitment and retention which are proposed.

Sincerely,

John P Mallan

John P. Mallan
Vice President for Governmental Relations

JPM/jdm

cc: Frank Stover, Deputy Chief Counsel, House Committee on Veterans Affairs
Richard Fuller, Professional Staff Member, House Committee on Veterans Affairs
Peter Sroka, Minority Subcommittee Counsel

The above-mentioned material is retained in the Committee files.